83th Congress, 1st Session...H.Doc. No. 83-239
83th Congress, 2d Session...H.Doc. No. 83-509
84th Congress, 1st Session...H.Doc. No. 84-235,
Vol. VII, pt.2

Foreign Relations of the United States 1952–1954

Volume VII

Germany and Austria

(in two parts)

Part 2

Editor in Chief
William Z. Slany

Editors
David M. Baehler
John A. Bernbaum
Charles S. Sampson

United States
Government Printing Office
Washington : 1986

H920-3

DEPARTMENT OF STATE PUBLICATION 9470

OFFICE OF THE HISTORIAN

BUREAU OF PUBLIC AFFAIRS

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

PREFACE

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. The volumes in the series include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States together with appropriate materials concerning the facts which contributed to the formulation of policies. Documents in the files of the Department of State are supplemented by papers from other government agencies involved in the formulation of foreign policy.

The basic documentary diplomatic record printed in the volumes of the series *Foreign Relations of the United States* is edited by the Office of the Historian, Bureau of Public Affairs, Department of State. The editing is guided by the principles of historical objectivity and in accordance with the following official guidance first promulgated by Secretary of State Frank B. Kellogg on March 26, 1925.

There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:

a. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.

b. To condense the record and avoid repetition of needless details.

c. To preserve the confidence reposed in the Department by individuals and by foreign governments.

d. To avoid giving needless offense to other nationalities or individuals.

e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternative presented to the Department before the decision was made.

Documents selected for publication in the *Foreign Relations* volumes are referred to the Department of State Classification/Declassification Center for declassification clearance. The Center reviews

the documents, makes declassification decisions, and obtains the clearance of geographic and functional bureaus of the Department of State, as well as of other appropriate agencies of the government. The Center, in coordination with the geographic bureaus of the Department of State, conducts communications with foreign governments regarding documents or information of those governments proposed for inclusion in *Foreign Relations* volumes.

This volume was initially prepared under the general supervision of Fredrick Aandahl and, at a later stage, of William Z. Slany, his successor as General Editor of the *Foreign Relations* series. John P. Glennon assisted in final preparation. Charles S. Sampson compiled all the documentation on Germany except for that on the German Democratic Republic which was compiled by David M. Baehler. John A. Bernbaum compiled the documentation on Austria.

Vicki E. Futscher and Rita M. Baker of the Publishing Services Division (Paul M. Washington, Chief) performed the technical editing. The index was prepared by the Twin Oaks Indexing Collective.

WILLIAM Z. SLANY
The Historian
Bureau of Public Affairs

CONTENTS

Page

PREFACE III

LIST OF ABBREVIATIONS VII

LIST OF PERSONS XI

LIST OF SHORT TITLES XXV

LIST OF SOURCES XXVII

PART 1

FEDERAL REPUBLIC OF GERMANY:

I. Participation of the United States in tripartite and quadripartite discussions on establishing contractual relations with the Federal Republic of Germany:

A. Discussions leading to the signature of the contractual agreements, January–May 1952 1

B. Meetings at Bonn of the Foreign Ministers of the United States, the United Kingdom, and France with Chancellor Adenauer, May 23–26, 1952 87

C. Documents signed by the Foreign Ministers of the United States, the United Kingdom, France, and the Federal Republic of Germany, May 26, 1952 111

II. Exchanges of notes with the Soviet Union concerning a German peace treaty, German unity, and all-German elections, March 10–September 23, 1952:

A. The Soviet note of March 10 and the Western reply of March 25 169

B. The Soviet note of April 9 and the Western reply of May 13 199

C. The Soviet note of May 24 and the Western reply of July 10 247

D. The Soviet note of August 23 and the Western reply of September 23. 292

III. Policy of the United States with respect to German unification and the integration of the Federal Republic into the defense of Western Europe: Visits of West German officials to the United States, interest of the United States in the outcome of the Federal elections, September 6, 1953; United States economic assistance; position of the United States with respect to Germany (NSC 160/1); national psychological strategy with respect to Germany (PSB D–21); and interest of the United States in proposed increases in the Federal border police 328

IV. The Berlin Conference, January 25–February 18, 1954:

A. Preparations for the Conference, July 1953–January 1954:

1. Exchanges of notes with the Soviet Union, July 15, 1953–January 1, 1954 601

Page

2. Meetings of the Foreign Ministers of the United States, the United Kingdom, and France at London, October 16–18, 1953 687
3. Meetings of the Tripartite Working Group at Paris, October 21–November 2 and December 16–21, 1953 722
4. Final arrangements for the Conference, January 1954; further tripartite consultations; meetings of the Berlin Commandants concerning the site of the Conference; tripartite consultations with Austria and the Federal Republic of Germany 740

B. Proceedings of the Conference, January 25–February 18, 1954 804
C. Documents of the Conference 1175
D. Reports and analyses of the Conference 1208
E. Further exchanges of notes with the Soviet Union concerning European security and the German question 1232

PART 2

V. Policy of the United States with regard to Allied rights in Berlin 1235
VI. Interest of the United States in the status of the Saar 1403
VII. Policy of the United States with respect to the German Democratic Republic:

Reports by the United States Missions in Germany on the reaction in the German Democratic Republic to the negotiation and signing of the Contractual Agreements; the second conference of the Socialist Unity Party of Germany, July 9–12, 1952; the declaration of the "New Course" in the German Democratic Republic, June 11, 1953; the June disturbances; the food relief program; the Soviet declaration of sovereignty for the German Democratic Republic, March 25, 1954; the fourth congress of the Socialist Unity Party of Germany, March 30–April 6, 1954; subsequent implementation of United States policy toward the German Democratic Republic 1544

AUSTRIA:

Interest of the United States in the reestablishment of an independent and democratic Austria:

Efforts to resume negotiations with the United Kingdom, France, and the Soviet Union concerning an Austrian treaty; interest of the United States in the expansion of the special Austrian *gendarmerie* program; four-power negotiations concerning occupation costs in Austria; Chancellor Figl's visit to Washington, May 12–16, 1952; Secretary of State Acheson's visit to Vienna, June 29–July 1, 1952; interest of the United States in the maintenance of a two-party coalition following the election of February 22, 1953; policy of the United States concerning the reduction of occupation forces in Austria; formulation of National Security Council policy toward Austria (NSC 164/1); Chancellor Raab's visit to Washington, November 21–25, 1954 1717

INDEX 2001

LIST OF ABBREVIATIONS

EDITOR'S NOTE—This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

AC, Allied Council for Austria
ACA, Allied Control Authority
ACC, Allied Control Council for Germany
Actel, series indicator for telegrams from Secretary of State Acheson while away from Washington
ADN, *Allegemeiner Deutscher Nachrichtendienst* (General German News Service in the Soviet Zone of Germany)
AFP, *Agence France Presse* (French Press Agency)
AGSec, Allied General Secretariat, Allied High Commission for Germany
AHC, Allied High Commission for Germany
AK, Allied Kommandatura for Berlin
ALCO, Allied Commission for Austria
AP, Associated Press
AR, annual review
AS, Austrian Schilling
BBC, British Broadcasting Corporation
BHE, *Bund der Heimatvertriebenen und Entrechteten* (League of Expellees and Disfranchised)
BN, series indicator for telegrams sent from Berlin by military channels
BNA, Office of British Commonwealth and Northern European Affairs, Department of State
B/P, balance of payments
Bud Bur, Bureau of the Budget
C, Counselor of the Department of State
ca, circular airgram
CA, Office of Chinese Affairs, Department of State
CC, Control Commission (Council)
Cdt, commandant
CDU, *Christlich-Demokratische Union* (Christian Democratic Union)
CE, Council of Europe
CFM, Council of Foreign Ministers
CG, Commanding General
CIA, Central Intelligence Agency
CIC, Counter Intelligence Corps
CINCEUR, Commander in Chief, Europe
CINCUSAREUR, Commander in Chief, United States Army in Europe
COCOM, coordinating committee
Coled, series indicator for telegrams from the United States Observer to the Interim Committee of the European Defense Community and Representative to the European Coal and Steel Community
Cominform, Communist Information Bureau
C/P, counterpart
CPR, Chinese People's Republic
CRALOG, Council of Relief Agencies Licensed for Operation in Germany
CSC, Coal and Steel Community
CSU, *Christlich-Soziale Union* (Christian Social Union)
DA, Department of the Army
DAD, Department of the Army detachment
DDR, Deutsche Demokratische Republik (German Democratic Republic)
DDSG, *Donaudampfschiffahrtsgesellschaft* (Danube Shipping Company)
Deptel, Department of State telegram
Deutschland Vertrag, German Treaty, popular name for the Convention on General Relations between the Three Powers and the Federal Republic of Germany
DF, direction finder
DFD, *Dienst für Deutschland* (Service for Germany, a German youth service organization)
DGB, *Deutscher Gewerkschaftsbund* (German Federation of Trade Unions)
DIA, East German Interzonal and Foreign Trade Organization

DKV, *Deutsche Kohleverein* (German Central Coal Sales Agency)
DM, *Deutschemark*
DP, *Deutsche Partei* (German Party)
DP, displaced persons
DPA, *Deutsche Presse Agentur* (German Press Agency)
DRS, Division of Research for the Soviet Union and Eastern Europe, Department of State
DS, Division of Protective Services, Department of State
Dulte, series indicator for telegrams from Secretary of State Dulles while away from Washington
E, Assistant Secretary of State for Economic Affairs
EAD, Eastern Affairs Division, Department of State
EB TCC, Executive Bureau of the Temporary Council Committee
EC, executive committee
ECA, Economic Cooperation Administration
ECOSOC, Economic and Social Council of the United Nations
EDC, European Defense Community
Edcol, series indicator for telegrams to the United States Observer to the Interim Committee of the European Defense Community and Representative to the European Coal and Steel Community
EDF, European Defense Force
EDS, Economic Defense Staff, Department of State
EDT, eastern daylight time
EE, Office of Eastern European Affairs, Department of State
Emdes, Embassy despatch
Embtel, Embassy telegram
EPC, European Political Community
EPU, European Payments Union
ERP, European Recovery Program
EUCOM, European Command, United States Army
EUR, Bureau of European Affairs, Department of State
E-W, East-West
FDGB, *Freier Deutscher Gewerkschaftsbund* (Free German Trade Union League)
FDJ, *Freie Demokratische Jugend* (Free Democratic Youth)
FDP, *Freie Demokratische Partei* (Free Democratic Party)
FE, Far East
FedRep, Federal Republic of Germany
FinMin, Finance Minister
FOA, Foreign Operations Administration
FonAff, Foreign Affairs
FonMin, Foreign Minister
FonOff, Foreign Office
ForMin, Foreign Minister
FSO, Foreign Service officer
FY, fiscal year
FYI, for your information
G, Deputy Under Secretary of State
G-3, Army general staff section dealing with operations and training
GA, General Assembly of the United Nations
GAI, Office of German Public Affairs, Department of State
GARIOA, Government Assistance and Relief in Occupied Areas
GATT, General Agreement on Tariffs and Trade
GDB, *Gesamtdeutscher Block* (All-German Bloc)
GDR, German Democratic Republic
GEA, Office of German Economic Affairs, Department of State
GER, Bureau (from 1953, Office) of German Affairs, Department of State
GFR, German Federal Republic
GFY, German fiscal year
GNP, gross national product
GOAG, Government Operations and Administration in Germany
GPA, Office of German Political Affairs, Department of State
H, Assistant Secretary of State for Congressional Relations
HICOG, United States High Commission(er) for Germany
HICOM, High Commission(er)
HMG, Her (His) Majesty's Government
HQ, headquarters
HVA, *Hauptverwaltung für Ausbildung* (Main Administration for Training)
IAW, in accordance with
IBS/NY, International Broadcasting Service (at New York), United States International Information Administration, Department of State
IPC, Information Projects Committee
IZT, interzonal trade
JAMAG, Joint American Military Advisory Group
JC, Joint Chiefs
JCS, Joint Chiefs of Staff
JEIA, Joint Export-Import Agency
JIC, Joint Intelligence Committee
KPD, *Kommunistische Partei Deutschlands* (Communist Party of Germany)

KVP, *Kasernierte Volkspolizei* (People's Garrison Police)
L, Office of the Legal Adviser, Department of State
L/E, Assistant Legal Adviser for Economic Affairs, Department of State
L/GER, Assistant Legal Adviser for German Affairs, Department of State
LDP, *Liberal-Demokratische Partei* (Liberal Democratic Party)
LOC, line of communication
MAAC, Mutual Assistance Advisory Committee
Macto, series indicator for telegrams from the United States delegation at the Tripartite Working Group
MC, military committee
MDA(P), Mutual Defense Assistance (Program)
MID, Military Intelligence Division
MN, Monetary Affairs Staff, Department of State
MSA, Mutual Security Agency (Act, assistance)
MSA/W, Mutual Security Agency/Washington
MSB, Military Security Board
Musto, series indicator for telegrams from the Mutual Security Agency in Washington to its missions abroad
NA, Office of Northeast Asian Affairs, Department of State
NAC, National Advisory Council
NAC, North Atlantic Council
NAT(O), North Atlantic Treaty (Organization)
niact, night action, communications indicator requiring attention by the recipient at any hour of the day or night
NNRC, Neutral Nations Repatriation Commission
Noforn, no foreign nationals (distribution)
NRW, *Nordrhein-Westfalen* (North Rhine-Westphalia)
NSC, National Security Council
NSRB, National Security Resources Board
NWDR, *Nordwest Deutsche Rundfunk* (Northwest German Radio)
OC occupation costs
OCB, Operations Coordinating Board
ODM, Office of Defense Mobilization
OEEC, Organization for European Economic Cooperation
OSD, Office of the Secretary of Defense
OSP, offshore procurement
ourtel, our telegram
OVP, *Österreichische Volkspartei* (Austrian People's Party)
P, Bureau of Public Affairs, Department of State
PA, public affairs
PAD, Public Affairs Division
PAO, Public Affairs Officer
PB, planning board
PC, participating country; political conference
PEPCO, Political and Economic Projects Committee, HICOG
Pol, Poland
Polto, series indicator for telegrams from the United States Permanent Representative to the North Atlantic Council
PP, People's Party
presstel, press telegram
PSA, Office of Philippine and Southeast Asian Affairs, Department of State
PSB, Psychological Strategy Board
PTS, proposed talks with the Soviets
PUB:PS, Policy Staff of the Office of Public Affairs, HICOG
R, Office of the Special Assistant for Intelligence, Department of State
RA, Office of European Regional Affairs, Department of State
RAF, Royal Air Force
R and O, rights and obligations
reftel, reference telegram
reurtel, regarding your telegram
RIAS, *Rundfunk im Amerikanischen Sektor* (United States Radio in the American Sector of Berlin)
RO, regional office(r)
ROK, Republic of Korea
S, Secretary of State
S/A, Ambassador at Large, Department of State
S/AE, Special Assistant to the Secretary of State for Atomic Energy Affairs
S/P, Policy Planning Staff, Department of State
S/S, Executive Secretariat, Department of State
SAC, Strategic Air Command
SACEUR, Supreme Allied Commander, Europe
SC, Security Council of the United Nations
Secto, series indicator for telegrams to the Department of State from the Secretary of State (or his delegation) at international conferences

SED, *Sozialistische Einheitspartei Deutschlands* (Socialist Unity Party), the Communist Party in East Germany
SG, standing group
SHAPE, Supreme Headquarters, Allied Powers, Europe
SP, Socialist Party
SPD, *Sozialdemokratische Partei Deutschlands* (German Social Democratic Party)
SRE, Special Representative in Europe
SRP, *Sozialistische Reichspartei* (Socialist Reich Party)
SSD, *Staatssicherheitsdienst* (State Security Service)
TCC, Temporary Council Committee
TDY, temporary duty
Tedul, series indicator for telegrams to Secretary of State Dulles while away from Washington
Telac, series indicator for telegrams to Secretary of State Acheson while away from Washington
TNC, Tripartite Naval Committee
TO/E (TO and E), Table of Organization and Equipment
Tomac, series indicator for telegrams to the United States delegation at the Tripartite Working Group
Tomus, series indicator for telegrams to the Mutual Security Agency
Tosec, series indicator for telegrams from the Department of State to the Secretary of State (or his delegation) at international conferences
Tousfo, series indicator for telegrams and airgrams to the Foreign Operations Administration
TRUST, United States troops in Trieste
U, Under Secretary of State
UN, United Nations
UNA, Bureau of United Nations Affairs, Department of State
UNC, United Nations Command
UNESCO, United Nations Educational, Scientific and Cultural Organization
UNGA, United Nations General Assembly
unn, unnumbered
UNO, United Nations Organization
UNP, Office of United Nations Political and Security Affairs, Department of State
UNSC, United Nations Security Council
URAS, *Union des Républicains d'action Sociale*, French political party
urtel, your telegram
USCINCEUR, United States Commander in Chief, Europe
USCOA, United States Command, Austria
USCOB, United States Command (Commander, Commandant), Berlin
USDel, United States delegate (delegation)
USFA, United States Forces in Austria
Usfoto, series indicator for telegrams and airgrams from the Foreign Operations Administration
USIA, United States Information Agency
USIA, *Upravleniye Sovetskogo Imushchestva v Avstrii* (Administration for Soviet Property in Austria)
USPolAd, United States Political Adviser
USRO, United States Mission to the North Atlantic Treaty Organization and European Regional Organizations
USUN, United States Mission at the United Nations
VDU, *Verband der Unabhängigen* (League of Independents)
VFC, Volunteer Freedom Corps
VOA, Voice of America
Vopo, *Volkspolizei* (People's Police)
WE, Office of Western European Affairs, Department of State
WG, working group

LIST OF PERSONS

EDITOR'S NOTE—The identification of the persons in this list is generally limited to circumstances and positions under reference in this volume. Historical personages alluded to, officials noted in documents but not actively participating in substantive discussions, and individuals only mentioned in passing are not identified here. All titles and positions are American unless there is an indication to the contrary. Where no dates are given, the official held the position throughout the period covered by this volume. Many of the participants in the Berlin Conference are not identified here, but an extensive listing of the four delegations is printed on pages 806–809.

ACHENBACK, Ernst, Free Democrat member of the Nordrhein-Westfalen *Landtag*.

ACHESON, Dean, Secretary of State until January 1953.

ACHILLES, Theodore C., Vice Deputy Representative on the North Atlantic Council; Deputy Chief of Mission of the Embassy in France from April 1952; Chief of Mission from September 1952; Minister of Embassy in France from October 1954.

ADENAUER, Konrad, Chancellor of the Federal Republic of Germany and, from March 1951, Minister of Foreign Affairs.

ALDRICH, Winthrop W., Ambassador in the United Kindgom, from February 1953.

ALLEN, Edgar P., Office of Western European Affairs, Department of State.

ALLEN, Ward P., Special Assistant on United Nations Affairs and International Relations Officer in the Bureau of European Affairs, Department of State.

ALPHAND, Hervé, French Deputy Representative on the North Atlantic Council until September 1954.

ANDERSON, Frederick L., Deputy Special Representative in Europe at Paris from March 1952.

ANDERSON, Robert, Deputy Secretary of Defense from April 1954.

ANSPACHER, John N., staff member of the Psychological Strategy Board until 1953; thereafter Chief of the Policy Staff, HICOG.

APPLING, Hugh G., Office of Western European Affairs, Department of State, from August 1953.

ARMSTRONG, W. Park Jr., Special Assistant for Intelligence, Department of State.

ARNOLD, Lieutenant General William H., Commanding General, United States Armed Forces in Austria, from 1953.

ATTLEE, Clement R., former British Prime Minister and Leader of the Parliamentary Opposition.

AUCHINCLOSS, John W., Office of German Political Affairs, Department of State, until June 1953; thereafter International Relations Officer, Office of German Affairs.

AUSLAND, John C., Office of German Political Affairs, Department of State, until 1953; thereafter Office of German Affairs.

BARBOUR, Walworth, Director of the Office of Eastern European Affairs, Department of State, until May 1954; thereafter Deputy Assistant Secretary of State for European Affairs.

BARNARD, John L., Office of Western European Affairs, Department of State, until November 1952; thereafter Assistant United Nations Adviser, Bureau of European Affairs.

BARNES, Nathan S., Chief of the Eastern Affairs Division, Berlin Element, HICOG, until January 1955.

BATHURST, Maurice E., Legal Adviser to the British High Commissioner for Germany, 1952.

BATTLE, Lucius D., Special Assistant to the Secretary of State until October 1952.

BEAM, Jacob D., Counselor of Embassy in the Soviet Union from November 1952; member of the Policy Planning Staff, Department of State, from June 1953.

BEGOUGNE DE JUNIAC, Gontran, Counselor of the French Embassy in the United States until 1955.

BÉRARD, Armand, French Deputy High Commissioner for Germany.

BIDAULT, Georges P., French Minister of National Defense until March 1952; Deputy Prime Minister and Minister of National Defense, 1952; Minister of Foreign Affairs, January–June 1954.

BINNS, Brigadier General John J., EUCOM Representative for discussions with the Federal Republic of Germany concerning contractual relations, 1952.

BISCHOFF, Norbert, Austrian Ambassador in the Soviet Union.

BLANK, Theodor, unofficial personal adviser to Chancellor Adenauer; *Rapporteur* for the Federal Republic of Germany for talks with the Allied High Commission regarding a German financial contribution to Western defense.

BLANKENHORN, Herbert A.H., Director of the Political Affairs Section of the Ministry of Foreign Affairs of the Federal Republic of Germany from March 1951; member of the German Steering Committee on Contractual Relations, 1952.

BLUECHER, Franz, Vice Chancellor of the Federal Republic of Germany and Minister for Economic Cooperation.

BOEKER, Alexander, official in the Foreign Ministry of the Federal Republic of Germany.

BOHLEN, Charles E. (Chip), Counselor of the Department of State until March 1953; thereafter Ambassador in the Soviet Union.

BONBRIGHT, James C.H., Deputy Assistant Secretary of State for European Affairs until April 1954; thereafter Special Assistant to the Permanent Representative in Europe at Paris.

BONSAL, Philip W., Counselor of Embassy in France until 1952.

BOWIE, Robert R., Chief of the Office of the General Counsel, HICOG, until May 1953; thereafter Director of the Policy Planning Staff, Department of State.

BRADLEY, General of the Army Omar N., Chairman of the Joint Chiefs of Staff until August 1953.

BRENTANO, Heinrich von, Chairman of the Christian Democratic Union/Christian Social Union faction in the Bundestag; also Representative of the Federal Republic of Germany to the Common Assembly of the European Coal and Steel Community and Representative to the Consultative Assembly of the Council of Europe.

BROSIO, Manlio, Italian Ambassador in the United Kingdom from March 1952.

BROWNE, Mallory, staff member of the Psychological Strategy Board from 1952.

BRUCE, David K. E., Ambassador in France until March 1952; Under Secretary of State, April 1952–January 1953; consultant to the Secretary of State until February 1953; thereafter Representative to the European Coal and Steel Community and Observer to the Interim Committee of the European Defense Community.

BURGESS, W. Randolph, Deputy to the Secretary of the Treasury from January 1953; Under Secretary of the Treasury for Monetary Affairs from August 1954.

BURIN DES ROZIERS, Étienne, Technical Counselor in the Cabinet of the French Prime Minister, January–June 1953.

BYINGTON, Homer M., Jr., Director of the Office of Western European Affairs, Department of State, until August 1953; thereafter Counselor of Embassy in Spain.

BYROADE, Henry A., Director of the Bureau of German Affairs, Department of State, until April 1952.

CACCIA, Sir Harold A., British High Commissioner for Austria until February 1954; thereafter Deputy Under Secretary of State for Foreign Affairs.

CALHOUN, John A. (Arch), Deputy Director of the Office of German Political Affairs, Department of State, until December 1952.

CARLSON, Delmar R., Office of German Affairs, Department of State, from May 1953.

CHERNE, Leo, Chairman of International Rescue.

CHOU EN-LAI, Premier and Foreign Minister of the People's Republic of China.

CHUIKOV, General of the Army Vasiliy Ivanovich, Commander-in-Chief of the Soviet Occupation Forces in Germany and Chairman of the Soviet Control Commission until June 1953.

CHURCHILL, Winston S. (Sir Winston from April 24, 1953), British Prime Minister and First Lord of the Treasury.

COLEMAN, Major General C. F., British Commandant for Berlin.

COLLINS, Varnum L., Jr., Office of Western European Affairs, Department of State, until June 1954.

CONANT, James P., former President of Harvard University; United States High Commissioner for Germany from February 1953.

CONNORS, W. Bradley, Assistant Administrator of the Office of Plans and Policy, United States Information Agency, until 1953.

COX, Henry B., Office of German Political Affairs, Department of State, until August 1952.

CROUY-CHANEL, Étienne de, French Minister in the United Kingdom.

CUTLER, Robert, Administrative Assistant to President Eisenhower from January 1953; Special Assistant to the President for National Security Affairs from March 1953.

DALTON, Hugh, Labour Party member of the British Parliament.

DARIDAN, Jean, First Counselor in the French Embassy in the United States until 1954.

DAVIES, John P., Jr., Director of the Office of Political Affairs, HICOG, in 1952.

DAWSON, Laurence A., Refugees and Displaced Persons Staff, Department of State, until July 1953; thereafter Chief of the Escapee Program.

DAYTON, Kenneth, Deputy Director of the Office of Political Affairs, HICOG, 1952.

DE BEAUMARCHAIS. *See* Delarue Caron de Beaumarchais.

DE GASPERI, Alcide, Italian Prime Minister and Minister of Foreign Affairs until August 1953.

DE GUIRINGARD. *See* Guiringard.

DEHLER, Thomas, Minister of Justice of the Federal Republic of Germany and, from October 1953, Chairman of the Free Democratic Party.

DE JUNIAC. *See* Begougne de Juniac.

DELARUE CARON DE BEAUMARCHAIS, Jacques, Officer in Charge of Saar Political Affairs, French Foreign Ministry, from 1952.

DE MARGERIE. *See* Jacquin de Margerie.

DEL BALZO, Giulio, Director General of Foreign Policy, Italian Ministry of Foreign Affairs, December 1952–November 1954.

DENGIN, Major General Segei Alexeyevich, Soviet Commandant for Berlin, until June 1953.

DERTINGER, Georg, Foreign Minister of the German Democratic Republic until January 1953.

DIBELIUS, Otto F.K., Bishop of the Evangelical Church of Germany, Berlin-Brandenburg Diocese.

DIBROVA, Major General P.A., Soviet Commandant for Berlin from June 1953.

DILLON, C. Douglas, Ambassador in France from March 1953.

DIXON, Sir Pierson J., British Deputy Under Secretary of State for Foreign Affairs and British Representative on the Brussels Treaty Permanent Commission.

DONNELLY, Walter J.; United States High Commissioner for Austria until July 1952; United States High Commissioner for Germany, July 1952–January 1953;

DOWLING, Walter C. (Red), United States Deputy High Commissioner for Austria until June 1953; thereafter United States Deputy High Commissioner for Germany.

DRAPER, William H., Jr., Special Representative in Europe and Representative on the North Atlantic Council until June 1953.

DULLES, Allen, Director of Central Intelligence from January 1953.

DULLES, Eleanor L., International Relations Officer, Department of State, from December 1952; Special Assistant to the Director of the Office of German Affairs from April 1954.

DULLES, John Foster, Secretary of State from January 21, 1953.

DUNN, James C., Ambassador in Italy until March 1952; Ambassador in France until March 1953; thereafter Ambassador in Spain.

ECKHARDT, Felix von, Chief of the Press and Information Office of the Federal Republic of Germany.

EDDY, Lieutenant General Manton S., Commanding General, United States Army, Europe.

EDEN, Anthony (Sir Anthony from 1954), British Secretary of State for Foreign Affairs.

EGGERATH, Werner, State Secretary in the Office of the Minister-President of the German Democratic Republic and Chief of the Agency for the Coordination and Control of the Functions of the Administrative Organs of the German Democratic Republic.

EHLERS, Hermann, President of the Bundestag until October 1954.

EICHLER, Willi G., member of the Executive Committee of the Social Democratic Party and Bundestag member until September 1953.

EISENHOWER, General of the Army Dwight D., Supreme Allied Commander, Europe, until May 1952; President of the United States from January 20, 1953.

EISLER, Gerhart, Chief of the Information Office of the German Democratic Republic.

ELBRICK, Charles B., Deputy Assistant Secretary of State for European Affairs from December 1953.

ELFES, Wilhelm, Chairman of the "German Assembly".

ERHARD, Ludwig, Minister for Economics of the Federal Republic of Germany.

ERLER, Fritz K.G., member of the Executive Committee of the Social Democratic Party and Bundestag member.

FECHTELER, Rear Admiral William M., United States Chief of Naval Operations until August 1953; thereafter Commander in Chief, Allied Forces, Southern Europe.

FEDERER, Julius, Justice on the Constitutional Court of the Federal Republic of Germany.

FERGUSON, John H., Deputy Director of the Policy Planning Staff, Department of State, until August 1953.

FIGL, Leopold, Austrian Chancellor until April 1953; from November 1953 Foreign Minister.

FRANÇOIS-PONCET, André, French High Commissioner for Germany.

FRANKS, Sir Oliver S., British Ambassador in the United States until February 1953.

FRECHTLING, Louis E., Office of the Special Assistant to the Secretary of State for Mutual Security Affairs from June 1952.

FREUND, Richard B., Officer in Charge of Italian and Austrian Affairs, Office of Western European Affairs, Department of State, from November 1953.

FRIEDENAU, Thee, Chairman of the Committee of Free Jurists.

FULLER, Leon W., Deputy Director of the Office of German Political Affairs, Department of State, from June 1952; member of the Policy Planning Staff from September 1954.

GERSTENMAIER, Eugen, Chairman of the Bundestag Foreign Affairs Committee and Representative of the Federal Republic of Germany to the Consultative Assembly of the Council of Europe and the Common Assembly of the European Coal and Steel Community.

GIFFORD, Walter S., Ambassador in the United Kingdom until 1953.

GOES VAN NATERS, Marinus van der, Dutch Labor Parliamentarian and Council of Europe *Rapporteur* on the Plan for the Europeanization of the Saar.

GRAF, Ferdinand, State Secretary in the Austrian Ministry of the Interior.

GRANDVAL, Gilbert, French High Commissioner to the Saar until January 1952; thereafter Ambassador to the Saar.

GREWE, Wilhelm, Head of the Office for Changing the Occupation Statute through Contractual Relations, Foreign Ministry of the Federal Republic of Germany.

GROTEWOHL, Otto, Minister-President of the German Democratic Republic and Co-chairman of the Socialist Unity Party.

GRUBER, Karl, Austrian Minister for Foreign Affairs until November 1953; from March 1954 Ambassador in the United States.

GRUENTHER, Lieutenant General Alfred M., Chief of Staff to the Supreme Allied Commander, Europe until July 1953; thereafter Supreme Allied Commander, Europe.

GUIRINGARD, Louis de, Secretary for Foreign Affairs, French Foreign Ministry, until June 1952.

HADSEL, Fred L., Assistant to the Director of the Executive Secretariat, Department of State, until 1953.

HALLSTEIN, Walter, Secretary of State for Foreign Affairs in the Federal Republic of Germany.

HARRIMAN, W. Averell, Director for Mutual Security until January 1953; also Chairman of Temporary Council Committee of the North Atlantic Treaty Organization until January 1952.

HARRIS, Michael S., *Rapporteur* for the Allied High Commission in negotiations with the Federal Republic of Germany for a German contribution to Western defense; also Chief of the Mutual Security Agency Mission in Germany and Director of the Office of Economic Affairs, HICOG.

HARRISON, Geoffrey W., British Assistant Under Secretary of State for Foreign Affairs.

HARVEY, William K., Chief of the Department of the Army Detachment, Berlin.

HAY, John, Foreign Affairs Specialist in the Office of German Political Affairs, Department of State, until March 1954; thereafter Political Officer at Bonn.

HEDTOFT, Hans, Chairman of the Danish Social Democratic Party.

HEINE, Friedrich, Press Chief of the German Social Democratic Party.

HEINEMANN, Gustav, former Minister of the Interior of the Federal Republic of Germany and cofounder of the Society for the Peace of Europe.

HERRNSTADT, Rudolf, former editor of *Neues Deutschlands* and member of the Central Committee of the Socialist Unity Party until July 1953.

HERTZ, Paul, Berlin Senator for the Marshall Plan and Credits until October 1953.

HERWARTH VON BITTENFELD, Hans-Heinrich, Chief of Protocol of the Federal Republic of Germany.

HEUSINGER, Lieutenant General Adolf E., Military Adviser to Chancellor Adenauer.

HEUSS, Theodor, President of the Federal Republic of Germany.

HICKERSON, John D., Assistant Secretary of State for United Nations Affairs.

HILLENBRAND, Martin J., Officer in Charge of Government and Administration in the Office of German Political Affairs, Department of State, until September 1952; thereafter Economic Officer at the Embassy in France.

HO CHI MINH, President of the Democratic Republic of Vietnam.

HOFFMAN, Johannes, Minister-President of the Saar.

HOLMES, Julius C., Minister in the United Kingdom until December 1953.

HONNEN, Major General George, United States Commandant for Berlin from August 1954.

HOPPENOT, Henri, French Permanent Representative at the United Nations Security Council.

HUGHES, John C., United States Permanent Representative to the North Atlantic Council from June 1953.

HULICK, Charles E., Chief of the Political Division, Eastern Element, HICOG, Berlin, until July 1953; Political Officer at Berlin until March 1954; thereafter Office of the Operation Coordinator, Department of State.

HUMPHREY, George M., Secretary of the Treasury from January 1953.

ILICHEV (ILYCHEV, ILYETSCHEV), Ivan Ivanovich, Soviet Ambassador in the German Democratic Republic until June 1953; thereafter Soviet High Commissioner for Austria.

JACKSON, C.D., Special Assistant to President Eisenhower until March 1954.

JACQUIN DE MARGERIE, Christian, French Political Counselor at Berlin from 1953.

JACQUIN DE MARGERIE, Roland, Director General for Political and Economic Affairs, French Ministry of Foreign Affairs.

JEBB, Sir Hubert M.G., British Ambassador in France from April 1954.

JESSUP, Philip C., Ambassador at Large, 1952.

JOHN, Otto, Head of the Office for the Protection of the Constitution in the Federal Republic of Germany until July 1954.

JONES, John E., Director of the Office of Western European Affairs, Department of State, from November 1953.

JONES, Judson C., Chief of Finance in the Office of German Economic Affairs, Department of State, until 1953; thereafter Financial Expert in the Office of German Affairs.

KAISER, Jakob, Minister for All-German Affairs of the Federal Republic of Germany.

KAMITZ, Reinhard, Austrian Minister of Finance from 1952.

KELLERMANN, Henry J., Director of the Office of German and Austrian Public Affairs, Department of State, until 1953; Public Affairs Adviser, Office of German Affairs, from November 1953.

KENNAN, George F., Ambassador in the Soviet Union, May–September 1952.

KHRUSHCHEV, Nikita Sergeyevich, First Secretary of the Communist Party of the Soviet Union from March 1953.

KIDD, Coburn B., Deputy Director of the Office of German Political Affairs, Department of State, from June 1952; Officer in Charge of German Affairs, Office of German Affairs, from September 1954.

KILB, Hans, Personal Assistant to Chancellor Adenauer.

KIRKPATRICK, Sir Ivone A., British High Commissioner for Germany, until November 1953; thereafter Permanent Under Secretary of State for Foreign Affairs.

KITCHEN, Jeffrey C., Special Assistant to the Secretary of State from November 1952; thereafter Deputy Director of the Executive Secretariat.

KNIGHT, Ridgway B., Deputy Director of the Office of European Regional Affairs, Department of State, until August 1953; Acting Director until January 1954; thereafter Deputy Assistant High Commissioner for Germany.

KRAFT, Waldemar E., Minister of Commercial Affairs of the Federal Republic of Germany from September 1953.

KREISKY, Bruno, Secretary of State in the Austrian Ministry of Foreign Affairs, from 1953.

KREKELER, Heinz H.L., Head of the Federal Republic of Germany Diplomatic Mission in the United States until 1953; thereafter Ambassador in the United States.

KYES, Roger M., Deputy Secretary of Defense, February 1953–May 1954.

LANIEL, Joseph, French Prime Minister, June 1953–June 1954.

LA TOURNELLE. *See* Le Roy de la Tournelle.

LAUKHUFF, Perry, Director of the Office of German Political Affairs, Department of State, until July 1952; Special Assistant to the Director of the Bureau of German Affairs until fall 1953.

LEHR, Robert, Minister of the Interior of the Federal Republic of Germany until September 1953.

LEISHMAN, Frederick J., First Secretary of the British Embassy in the United States from September 1953.

LEMMER, Ernst, Editor of the Berlin *Kurier* and Chief of the Christian Democrat faction in the Berlin Assembly.

LENZ, Otto, Christian Democrat Member of the Bundestag and, from September 1953, State Secretary in the Federal Chancellery.

LE ROY DE LA TOURNELLE, Guy, Director General for Political and Economic Affairs, French Foreign Ministry.

LEROY-BEAULIEU, Michel, Economic Adviser to the French High Commissioner for Germany.

LETOURNEAU, Jean, French High Commissioner for Indochina from April 1952; Minister for Relations with the Associated States, January–May 1953.

LEWIS, Geoffrey W., Deputy Director of the Bureau of German Affairs, Department of State until October 1953; Acting Director of the Office of German Affairs until February 1954; thereafter Deputy Director.

LINDER, Harold F., Assistant Secretary of State for Economic Affairs, December 1952–May 1953.

LINSE, Walter, Economic Expert on the Committee of Free Jurists.

LLOYD, John Selwyn (Brooke), British Minister of State; Minister of Trade from October 1954.

LODGE, Henry Cabot, Jr., Ambassador to the United Nations, from January 1953.

LOEWENTHAL, Max, Austrian Ambassador in the United States until March 1954.

LOVETT, Robert A., Secretary of Defense until January 1953.

LUEBKE, Heinrich, Christian Democrat member of the Bundestag and, from October 1953, Minister for Food, Agriculture, and Forestry of the Federal Republic of Germany.

LUKASCHEK, Hans, Minister for Refugees of the Federal Republic of Germany until September 1953.

LYON, Cecil B., Director of the Berlin Element, HICOG, until the end of 1953; Director of the Office of German Affairs from February 1954.

MACARTHUR, Douglas, II, Counselor of Embassy in France and Adviser on International Affairs to the Supreme Allied Commander, Europe until October 1952; Counselor of the Department of State from March 1953.

MACMILLAN, Harold, British Minister of Housing and Local Government until October 1953; thereafter Minister of Defense.

MAIER, Rheinhold, Free Democrat member of the Bundesrat until September 1953; thereafter member of the Bundestag.

MAKINS, Sir Roger M., British Deputy Under-Secretary of State for Foreign Affairs until December 1952; Ambassador in the United States from January 1953.

MALENKOV, Georgiyi Maksimilianovich, Deputy Chairman of the Soviet Council of Ministers until March 1953; Chairman of the Council of Ministers until 1955; member of the Central Committee of the Communist Party of the Soviet Union from March 1953.

MALIK, Yakov Aleksandrovich, Soviet Deputy Foreign Minister until March 1953; thereafter Ambassador in the United Kingdom.

MALLET, Sir Victor A.L., British Ambassador in Yugoslavia.

MALTZAN, Freiherr Vollrath von, Head of the Economic Division in the Ministry of Foreign Affairs of the Federal Republic of Germany.

MARGOLIES, Daniel F., Director of the Office of German Economic Affairs, Department of State until 1953; Officer in Charge of Economic Affairs, Office of German Affairs from November 1953.

MARKGRAF, Paul, Officer in Charge of Highway and Bridge Security in the Ministry of Transportation of the German Democratic Republic from May 1952.

MARTIN, Edward M., Director of the Office of European Regional Affairs, Department of State until September 1952; Special Assistant to the Secretary of State for Mutual Security Affairs until June 1953; thereafter Deputy Representative on the North Atlantic Council.

MASSIGLI, René, French Ambassador in the United Kingdom.

MATERN, Hermann, Chairman of the Socialist Unity Party Central Control Commission and member of the Central Committee and Politburo of the Socialist Unity Party.

MATHEWSON, Major General Lemuel A., United States Commandant for Berlin until December 1952.

MATTHEWS, H. Freeman (Doc), Deputy Under Secretary of State until September 1953; thereafter Ambassador in the Netherlands.

MAUTNER, Karl F., HICOG Liaison Officer with the Berlin City Government.

MAYER, René, French Prime Minister, January–June 1953.

MAYNARD, David M., Deputy Director of the Berlin Element, HICOG, and Director of the Mutual Security Agency Mission at Berlin until January 1954.

MCBRIDE, Robert H., Officer in Charge of French-Iberian Affairs in the Office of Western European Affairs, Department of State, until September 1954.

MCCARDLE, Carl W., Assistant Secretary of State for Public Affairs from January 1953.

MCCLOY, John J., United States High Commissioner for Germany until July 1952.

MCDERMOTT, Michael J., Special Assistant to the Secretary of State for Press Relations until December 1952.

MCELHINEY, Thomas W., Chief of the Economic Bureau of the Eastern Affairs Division, Berlin Element, HICOG, from April 1952.

McFall, Jack K., Assistant Secretary of State for Congressional Relations until September 1952; Minister in Finland until May 1953; thereafter Ambassador in Finland.

McWilliams, William J., Director of the Executive Secretariat, Department of State, until August 1953.

Mellies, Wilhelm, Social Democrat member of the Bundestag; and, from September 1952, Deputy Chairman of the Social Democratic Party.

Merchant, Livingston T., Deputy Special Representative in Europe at Paris from March 1952; Assistant Secretary of State for European Affairs from March 1953.

Markatz, Hans Joachim von, German Party member of the Bundestag and State Secretary in the Federal Republic of Germany Ministry for Bundesrat Affairs.

Millar, Sir Frederick R. Hoyer, British Deputy Under Secretary of State for Foreign Affairs and Permanent Representative to the North Atlantic Council until September 1953; thereafter British High Commissioner for Germany.

Molotov, Vyacheslav Mikhailovich, Soviet Minister of Foreign Affairs from March 1953.

Montenegro, Daniel W., Office of German Political Affairs, Department of State, until January 1954.

Morgan, George A., Acting Director of the Psychological Strategy Board from January 1953.

Morris, Brewster H., Director of the Office of German Political Affairs, Department of State, from July 1952; Officer in Charge of German Political Affairs, Office of German Affairs, November 1953–June 1954.

Muehlenfeld, Hans, German Party member of the Bundestag until September 1953.

Murphy, Robert D., Deputy Under Secretary of State for Political Affairs from December 1953.

Nash, Frank C., Assistant to the Secretary of Defense for International Security Affairs until February 1953; Assistant Secretary of Defense for International Security Affairs until February 1954.

Nes, David G., Assistant to the Director of the Executive Secretariat, Department of State, until December 1953.

Niemoller, Martin, Pastor of the Evangelical Church of Germany.

Niklas, Wilhelm, Minister for Food, Agriculture, and Forestry of the Federal Republic of Germany until September 1952.

Nitze, Paul H., Director of the Policy Planning Staff, Department of State, until April 1953.

Nolting, Frederick R., Acting Special Assistant to the Secretary of State for Mutual Security Affairs from August 1953; Special Assistant from January 1954.

Nuschke, Otto, Deputy Prime Minister of the German Democratic Republic.

Nutting, (Harold) Anthony, British Parliamentary Under Secretary of State for Foreign Affairs until October 1953; thereafter Minister of State for Foreign Affairs.

O'Connor, Roderic L., Assistant to the Secretary of State from January 1953–February 1954; thereafter Special Assistant to the Secretary of State.

Ohly, John H., Deputy Director for Program Coordination in the Mutual Security Agency from March 1953; Deputy Director for Programs and Planning in the Foreign Operations Administration from October 1953.

Ollenhauer, Erich, Social Democrat member of the Bundestag and, from September 1952, Chairman of the Social Democratic Party.

O'NEILL, Con Douglas W., First Secretary and Political Director in the Office of the British High Commissioner for Germany, 1952.

O'SHAUGHNESSY, Elim, Counselor of Embassy in the Soviet Union until June 1954.

PABSCH, Anton F., Political Affairs Officer in the Office of Political Affairs, HICOG, in 1953.

PAGE, Edward, Jr., Counselor of Embassy in France from June 1953.

PARKMAN, Henry, Director of the Berlin Element, HICOG, from January 1954.

PARODI, Alexandre, Secretary General of the French Foreign Ministry.

PARSONS, James G., Deputy Director of the Office of European Regional Affairs, Department of State, until May 1952.

PAULS, August, Assistant to State Secretary Hallstein.

PAYART, Jean, French High Commissioner for Austria.

PELLA, Giuseppe, Italian Prime Minister, Minister of Foreign Affairs, and Minister of the Budget, August 1953–January 1954.

PERKINS, George W., Assistant Secretary of State for European Affairs until January 1953.

PFERDMENGES, Robert, Christian Democrat member of the Bundestag.

PFLEIDERER, Karl G., Free Democrat member of the Bundestag.

PHILLIPS, Joseph B., Deputy Assistant Secretary of State for Public Affairs until October 1952; Acting Director of the Office of Public Affairs, HICOG, until June 1954; thereafter Director of the Office of Public Affairs.

PIECK, Wilhelm, President of the German Democratic Republic.

POPPER, David H., Deputy Director of the Office of United Nations Political and Security Affairs, Department of State, until October 1954; thereafter Director.

PREUSKER, Viktor-Emanuel, Free Democrat member of the Bundestag and from October 1953, Federal Republic of Germany Minister of Housing Construction.

PUSHKIN, Georgiyi Maksimovich, Soviet High Commissioner for Germany and Ambassador in the German Democratic Republic, 1954.

RAAB, Julius, Chancellor of Austria from April 1953.

RAU, Heinrich, Deputy Premier of the German Democratic Republic and member of the Central Committee and Politburo of the Socialist Unity Party.

RAYMOND, John M., Assistant Legal Adviser for German Affairs, Department of State.

REBER, Samuel Jr., Director of Political Affairs in the Office of Political Affairs, HICOG, until July 1953.

REILLY, D'Arcy Patrick, British Minister in France from June 1953.

REINHARDT, G. Frederick, Counselor of Embassy in France.

REINSTEIN, Jacques J., Special Assistant to the Director of the Bureau of German Affairs, Department of State, until November 1953; thereafter Special Assistant to the Assistant Secretary of State for European Affairs.

REUTER, Ernst, Lord Mayor of West Berlin until September 1953.

RIDDLEBERGER, James W., Director of the Bureau of European Affairs, Department of State, May 1952–July 1953.

RIDGWAY, General of the Army Matthew B., Supreme Allied Commander, Europe, June 1952–May 1953; thereafter Chief of Staff, United States Army.

RIDSDALE, William, Head of the News Department in the British Foreign Office until 1954.

ROBERTS, Frank K. (from June 1953, Sir Frank), British Under Secretary of State, until November 1952; thereafter British Representative on the Brussels Treaty Commission.

RODIONOV, Georgiyi, First Secretary in the Soviet Embassy in the United Kingdom in 1954.

ROSE, Edward M., Political Officer in the Office of the British High Commissioner for Germany.

RUCHTI, James R., Political Officer in the Berlin Element, HICOG, from May 1952.

RUMBOLD, Horace A. C. (from June 1953, Sir Horace), Counselor of the British Embassy in France until May 1954; thereafter Private Secretary to the Secretary of State for Foreign Affairs.

RUMMLER, Gerald, Press Officer in the Foreign Ministry of the German Democratic Republic until April 1952.

RUTTER, Peter, Office of Western European Affairs, Department of State, until November 1953.

SALISBURY, Lord (Robert A.J.G. Cecil), Acting British Secretary of State for Foreign Affairs, June–October 1953.

SANDIFER, Durward V., Deputy Assistant Secretary of State for United Nations Affairs until February 1954.

SAUVAGNARGUES, Jean, Officer in Charge of German Political Affairs in the French Foreign Ministry until May 1952; thereafter Counselor for Foreign Affairs.

SCHAEFER, Hermann R., Free Democrat member and Vice President of the Bundestag until September 1953; thereafter Minister for Special Tasks of the Federal Republic of Germany.

SCHAEFFER, Fritz, Minister of Finance of the Federal Republic of Germany.

SCHAERF, Adolf, Vice Chancellor of Austria.

SCHIRDEWAN, Karl, member of the Politburo of the Socialist Unity Party from July 1953.

SCHOENER, Josef, Director of the Political Department in the Austrian Ministry of Foreign Affairs and Head of the unofficial Austrian Delegation to the Berlin Conference.

SCHREIBER, Walter C.R., Deputy Mayor of West Berlin until September 1953; thereafter, Mayor.

SCHROEDER, Gerhard, Christian Democrat member of the Bundestag and, from October 1953, Minister of the Interior of the Federal Republic of Germany.

SCHUMACHER, Kurt, Chairman of the Executive Committee of the Social Democratic Party until August 1952.

SCHUMAN, Robert, French Minister of Foreign Affairs until January 1953.

SCHUMANN, Maurice, French Secretary of State for Foreign Affairs until June 1954.

SCHWARTZ, Harry H., Office of the Counselor of the Department of State until May 1953.

SEEBOHM, Hans-Christoph, German Party member of the Bundestag and Minister for Communications of the Federal Republic of Germany.

SELBMANN, Fritz, member of the Central Committee of the German Democratic Republic and Minister for Mines until 1953; for Heavy Industry, 1953–1954.

SEMICHASTNOV, Ivan F., First Deputy Chairman of the Soviet Control Commission for Germany, 1952.

SEMYONOV, Vladimir Semyonovich, Political Adviser to the Chairman of the Soviet Control Commission for Germany until June 1953; Soviet High Commissioner for Germany until July 1954.

SEYDOUX DE CLAUSONNE, François, Head of the European Affairs Section of the French Foreign Ministry.

SHUCKBURGH, Charles A.E., Private Secretary to Secretary of State for Foreign Affairs Eden until May 1954; thereafter British Assistant Secretary of State for Foreign Affairs.

SMITH, Walter Bedell, Director of Central Intelligence until February 1953; Under Secretary of State until October 1954.

STAATS, Elmer B., Executive Officer of the Operations Coordinating Board from September 1953.

STASSEN, Harold E., Director for Mutual Security from January 1953; Director of Foreign Operations from August 1953.

STEERE, Loyd V., Director of the Office of Political Affairs, HICOG, May 1953–May 1954.

STEIN, Eric, Office of United Nations Political and Security Affairs, Department of State.

STEINHOFF, Karl, Minister of the Interior of the German Democratic Republic until May 1952.

STIKKER, Dirk U., Netherlands Minister of Foreign Affairs until September 1952.

STOPH, Willi, Minister of the Interior of the German Democratic Republic from May 1952 and member of the Politburo of the Socialist Unity Party.

STRAUS, Richard, Office of German Public Affairs, Department of State, until November 1953; thereafter Acting Public Affairs Adviser in the Office of German Affairs.

STRAUSS, Franz-Josef, Christian Social member of the Bundestag and, from October 1953, Minister for Special Tasks of the Federal Republic of Germany.

STRAUSS, Admiral Lewis L., Chairman of the Atomic Energy Commission from June 1953.

SUHR, Otto, President of the Berlin House of Representatives.

SUSIN, A.F., Deputy Berlin Representative of the Soviet Control Commission in Germany in 1952.

SVIRIDOV, Colonel General Vladimir Petrovich, Soviet High Commissioner for Austria and Commander-in-Chief of Soviet Occupation Forces in Austria until June 1953.

TAYLOR, Edmond L., Office of Plans and Policy, Psychological Strategy Board, until September 1953.

TEITGEN, Pierre Henri, Vice President of the French Council of Ministers, June 1953–June 1954.

THEDIECK, Franz, State Secretary in the Ministry for All-German Affairs of the Federal Republic of Germany.

THOMPSON, Llewellyn E., United States High Commissioner for Austria from September 1952.

THORP, Willard L., Assistant Secretary of State for Economic Affairs until November 1952.

THURSTON, Ray L., Deputy Director of the Office of Eastern European Affairs, Department of State, until May 1954; thereafter Director.

TILLMANNS, Robert, Christian Democrat member of the Bundestag and, from October 1953, Minister without Portfolio of the Federal Republic of Germany.

TIMBERMAN, Major General Thomas B., United States Commandant for Berlin, January 1953–July 1954.

TOMLINSON, William M., Finance and Economic Adviser at the Embassy in France until August 1952; thereafter Deputy Representative to the European Coal and Steel Community.

TREVELYAN, Humphrey, Office of the British High Commissioner for Germany until 1953.

TRUEHEART, William C., Intelligence Staff Officer in the Office of the Special Assistant to the Secretary of State for Intelligence until August 1954.

TRUMAN, Harry S., President of the United States until January 20, 1953.

TWINING, Lieutenant General Nathan F., Vice Chief of Staff, United States Air Force, until 1953.

TYLER, William R., Deputy Director of the Office of Western European Affairs, Department of State, from March 1954.

ULBRICHT, Walter, Deputy Minister President of the German Democratic Republic and Deputy Chairman and member of the Politburo and Central Committee of the Socialist Unity Party.

VAN NATERS. *See* Goes van Naters.

VYSHINSKY, Andrei Yanuaryevich, Soviet Minister of Foreign Affairs until March 1953.

WARD, John G., British Deputy High Commissioner for Germany, until June 1954; thereafter Deputy Under Secretary of State for Foreign Affairs.

WEHNER, Herbert, Chairman of the Bundestag Committee on All-German Affairs.

WELLINGTON, Rebecca G., Chief of the Political Affairs Division, Berlin Element, HICOG, until February 1952; thereafter Attaché at the Embassy in France.

WILLIAMSON, Francis T., Deputy Director of the Office of Western European Affairs, Department of State, until July 1952; Director of the Planning Staff of the Office of Western European Affairs until January 1953; thereafter Counselor of Embassy in Italy.

WILSON, Charles E., Secretary of Defense from January 1953.

WINTERTON, Major General Sir John, British Military Governor and Commander of the Free Territory of Trieste until October 1954.

WOLF, Joesph J., Officer in Charge of Political-Military Affairs, Office of European Regional Affairs, Department of State, from July 1952; Special Adviser for North Atlantic Treaty Organization Affairs from July 1954.

WOLLWEBER, Ernst, Chief of State Security in the German Democratic Republic.

WOOLDRIDGE, Rear Admiral Edmund T., Assistant Chief of Naval Operations, United States Navy.

YOST, Charles W., United States Deputy High Commissioner for Austria, August 1953–August 1954.

ZAISSER, Wilhelm, Minister of State Security in the German Democratic Republic and member of the Politburo and Central Committee of the Socialist Unity Party until July 1953.

LIST OF SHORT TITLES

Acheson, *Present at the Creation:* Dean Acheson, *Present at the Creation: My Years in the State Department,* New York: W.W. Norton Company, Inc., 1969.

Adenauer, *Erinnerungen:* Konrad Adenauer, *Erinnerungen, 1953-1955,* Stuttgart: Deutsche Verlangs-Anstalt, 1968.

Adenauer, *Memoirs:* Konrad Adenauer, *Memoirs, 1949-1953,* translated by Beate Ruhm von Oppen, Chicago: Henry Regnery Company, 1966.

AFP: United States Department of State, *American Foreign Policy, 1950-1955, Basic Documents,* 2 vols., Washington: Government Printing Office, 1957.

Aussenpolitik der DDR: Deutsches Institut für Zeitgeschichte, *Dokumente zur Aussenpolitik der Regierung der Deutschen Demokratischen Republik,* Berlin: Rutten & Loening, 1954.

Berlin Discussions: United States Department of State, *Foreign Mininsters Meeting, Berlin Discussions, January 25-February 18, 1954,* Washington: Government Printing Office, March 1954.

Cmd. 8571: *Conventions between the Governments of the United States of America, the Kingdom of Great Britain and Northern Ireland and the French Republic on the one part and the Federal Republic of Germany on the other with accompanying instruments, Bonn, 26th May, 1952, Germany No. 6 (1952),* London: Her Majesty's Stationery Office, May 1952, Cmd. 8571.

Cmd. 9080: *Documents relating to the Meeting of the Foreign Ministers of France, the United Kingdom, the Soviet Union and the United States of America, Berlin, January 25-February 18, 1954, Miscellaneous No. 5 (1954),* London: Her Majesty's Stationery Office, February 1954, Cmd. 9080.

Documents on German Unity: Office of the United States High Commissioner for Germany, *Documents on German Unity,* 3 vols., Frankfurt and Bonn, 1951-1953.

Documents on Germany, 1944-1985: United States Department of State, *Documents on Germany, 1944-1985,* Washington: Government Printing Office, 1985.

Documents on the Saar: Office of the United States High Commissioner for Germany, *Documents on the Saar,* 2 vols., Frankfurt and Bad Godesburg, 1951 and 1952.

Documents (R.I.I.A.) for 1952: Denise Folliot, ed., *Documents on International Affairs 1952,* Royal Institute of International Affairs, London: Oxford University Press, 1955.

Documents (R.I.I.A.) for 1953: Denise Folliot, ed., *Documents on International Affairs 1953,* Royal Institute of International Affairs, London: Oxford University Press, 1956.

Documents (R.I.I.A.) for 1954: Denise Folliot, ed., *Documents on International Affairs 1954,* Royal Institute of International Affairs, London: Oxford University Press, 1957.

Dokumente der SED: Dokumente der Sozialistischen Einheitspartei Deutschlands: Beschlüsse und Erklärungen des Zentralkomitees sowie seines Politburos and seines Sekretariats, Berlin: Dietz Verlag; Bd. IV, 1954; Bd. V, 1956.

Dokumente zur Deutschlandpolitik der Sowjetunion: Deutsches Institut für Zeitgeschichte, *Dokumente zur Deutschlandpolitik der Sowjetunion,* Bd. 1, *vom Potsdamer Abkomen am 2 August 1945 bis zur Erklarung uber die Herstellung der*

Souveranität der Deutschen Demokratischen Republik am 25 Marz 1954, Berlin: Rutten & Loening, 1957.

Eden, *Full Circle:* Sir Anthony Eden, *The Memoirs of Anthony Eden, Full Circle*, Boston: Houghton Mifflin Company, 1960.

Germany 1947–1949: United States Department of State, *Germany 1947–1949: The Story in Documents*, Washington: Government Printing Office, 1950.

Grotewohl, *Reden und Aufsätze:* Otto Grotewohl, *Im Kampf um die Einige Deutsche Demokratische Republik, Reden und Aufsätze*, Bande III and IV, Berlin, 1954 and 1959.

Gruber, *Between Liberation and Liberty:* Karl Gruber, *Between Liberation and Liberty, Austria in the Post-War World*, London: Andre Deutsch, 1955.

H.C. Deb 5s: Parliamentary Debates, House of Commons, Fifth Series.

Papers and Documents: Federal Ministry for All-German Affairs, *The Efforts Made by the Federal Republic of Germany to Re-establish the Unity of Germany by Means of All-German Elections, Papers and Documents*, Second Enlarged Edition, Bonn, 1954.

Protokoll der II. Parteikonferenz: Protokoll der Verhandlungen der II. Parteikonferenz der Sozialistischen Einheitspartei Deutschlands, Berlin: Dietz Verlag, 1952.

Protokoll des IV. Parteitages der SED: Protokoll der Verhandlungen des IV. Parteitages der Sozialistischen Einheitspartei Deutschlands, Bd. I: *1. bis 4. Verhandlungstag;* Bd. II: *5. bis 8. Verhandlungstag;* Berlin: Dietz Verlag, 1954.

Ruhm von Oppen, *Documents on Germany:* Beate Ruhm von Oppen, ed., *Documents on Germany Under Occupation, 1945–54*, Royal Institute of International Affairs, London: Oxford University Press, 1955.

Schaerf, *Österreichs Erneuerung 1945–1955:* Adolf Schaerf, *Österreichs Erneuerung 1945–1955. Das Erste Jahrzehnt Zweiten Republik*, Vienna: Verlag de Wiener Volksbuchhandlung, 1955.

Senate Q and R: United States Senate, 82d Senate, 2d Session, Executives Q and R, *Message from the President of the United States transmitting the Convention on Relations between the Three Powers and the Federal Republic of Germany, signed at Bonn on May 26, 1952 and a Protocol to the North Atlantic Treaty signed at Paris on May 27, 1952*, Washington: Government Printing Office, June 2, 1952.

SSSR s GDR: Ministerstvo inostrannykh del SSSR i Ministerstvo inostrannykh del GDR, *Otnosheniia SSSR s GDR, 1949–1955gg., Dokumenty i materialy*, Moscow: Izdatel'stvo politicheskoi literatury, 1974.

Ulbricht, *Die Entwicklung des Volksdemokratischen Staates:* Walter Ulbricht, *Die Entwicklung des Deutschen Volksdemokratischen Staates, 1945–1958*, Berlin: Dietz Verlag, 1958.

Ulbricht, *Zu Fragen der Parteiarbeit:* Walter Ulbricht, *Zu Fragen der Parteiarbeit*, Berlin: Dietz Verlag, 1960.

LIST OF SOURCES

ALCO Records, Lot 62 F 9

Consolidated collection of official records of the Allied Commission for Austria (ALCO) for the years 1945–1955, as maintained by the Embassy in Vienna. (96 ft.)

Bonn Embassy Files, Lots 57 F 24 and 58 M 27 (311)

The "McCloy Project": Files of the United States High Commissioner for Germany for the years 1949–1952, as a subsequently maintained as a segment of the files of the Embassy at Bonn.

CFM Files, Lot M–88

Consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancilliary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the German and Austrian peace settlements for the years 1943–1955 prepared by the Department of State Records Service Center. (254 ft.)

Conference Files, Lot 59 D 95

Collection of documents on certain official visits of heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for the period 1949–1955, as maintained by the Executive Secretariat of the Department of State. (13 ft.)

Conference Files, Lot 60 D 627

Collection of documents on certain official visits of heads of government and foreign ministers to the United States and on major international conferences for the period 1953–1958, as maintained by the Executive Secretariat of the Department of State. This file is a continuation of Lot 59 D 95. (25 ft.)

EUR Files, Lot 59 D 233

Files of the Office of the Assistant Secretary of State for European Affairs for the years 1945–1957. (6 ft.)

GER Files, Lot 57 D 344

Top secret control file of the Office of German Affairs for the period 1949–1955, as maintained by the Office of German Affairs. (1⅓ ft.)

MSA–FOA Telegram Files, Lots W 130 and W 131

Serial telegram files of incoming and outgoing MSA and FOA cables for the period January 1953–June 1954, as maintained by the Administrative Services Division of the MSA and FOA and subsequently retired by FOA. These files, which are presently administered by the Agency for International Development, are a part of Federal Records Center Accession No. 55 A 374. (30 ft.)

OCB Files, Lot 62 D 430

Master files of the Operations Coordinating Board for the years 1953–1960, as maintained by the Executive Secretariat of the Department of State. (17 ft.)

PPS files, Lots 64 D 563

Master files of documents, drafts, records of meetings, memoranda, and related correspondence of the Policy Planning Staff for the years 1947–1953. (42 ft.)

PPS files, Lots 65 D 101

Master file of documents, drafts, records of meetings, memoranda, and related correspondence of the Policy Planning Staff for the year 1954. (8 ft.)

PSB Files, Lot 62 D 333

Master file of minutes and papers of the Psychological Strategy Board for the years 1951–1953, as maintained by the Executive Secretariat of the Department of State. (3 ft.)

Secretary's Letters, Lot 56 D 459

Correspondence of the Secretary of State for the years 1945–1956, as maintained by the Executive Secretariat of the Department of State. (5½ ft.)

Secretary's Memoranda, Lot 53 D 444

Comprehensive chronological collection of the Secretary of State's memoranda, memoranda of conversations, and memoranda of conversation with the President for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State. (15 ft.)

Secretary's Memoranda of Conversation, Lot 64 D 199

Chronological collection of the Secretary of State's memoranda of conversation and the Under Secretary of State's memoranda of conversation for the years 1953–1960, as maintained by the Executive Secretariat of the Department of State. (7 ft.)

Secretary's Memoranda of Conversation, Lot 65 D 238

Chronological collections of the Secretary of State's memoranda of conversation with the President for the years 1949–1952, memoranda of the Secretary of State and the Under Secretary of State for the years 1951–1952, and the Secretary of State's memoranda of conversation with Senator Tom Connally of Texas for the years 1950–1951, as maintained by the Executive Secretariat of the Department of State. (1 ft.)

S/S–NSC Files, Lot 63 D 351

Serial master file of National Security Council documents and correspondence and related Department of State memoranda for the years 1947–1961, as maintained by the Executive Secretariat of the Department of State. (20 ft.)

State–JCS Meetings, Lot 61 D 417

Top secret records of meetings between representatives of the Department of State and the Joint Chiefs of Staff for the years 1951–1959 and selected problem files on the Middle East for the years 1954–1956, as maintained by the Executive Secretariat of the Department of State. (3 ft.)

Eisenhower Library, Abilene, Kansas

Papers of Dwight D. Eisenhower as President of the United States for the years 1953–1961. This collection, which was maintained by Ann Whitman and has subsequently been called the "Whitman Files," has several major parts, including the National Security Council file, the International Meeting file, and the International file.

Eisenhower Library, Abilene, Kansas

Papers of John Foster Dulles as Secretary of State for the years 1953–1959. Also included are materials for the year 1951–1952 when he acted as a consultant to Secretary of State Acheson. This material is divided into folders covering various topics in international affairs.

V. POLICY OF THE UNITED STATES WITH REGARD TO ALLIED RIGHTS IN BERLIN [1]

No. 532

862A.00/1-1552

Memorandum of Conversation, by the Deputy Director of the Berlin Element, HICOG (Lyon) [2]

SECRET [BERLIN, January 13, 1952.]

Those present included Dr. Ernst Reuter, Governing Mayor of Berlin; Dr. Paul Hertz, Senator for Marshall Plan and Credits; Mr. Cecil B. Lyon, Director, HICOG Berlin Element; Mr. David M. Maynard, Deputy Director, HICOG Berlin Element.

The conversation was held in Dr. Reuter's home, a most informal and cordial atmosphere.

In discussing the present situation of Berlin, Mayor Reuter stated that the very complicated structure of the Kommandatura made things extremely difficult and that it was literally physically impossible for Berlin officials to develop close contact and deal with three foreign entities on innumerable details.

He admitted that important progress had recently been made in streamlining the Committees of the Kommandatura but felt that even more progress could be made in this direction.

He stated that as he had originally gone on record that he would like to see the Kommandatura abolished and Berlin become the 12th *Land* and foreign troops to remain as a defense group, he stressed, however, that he had formally and publicly accepted for the present the Allied position of "no 12th *Land* Status" and will not therefore in any way work for this status at the moment. In reply to a question from Mr. Lyon, the Mayor stated clearly that he felt that it was not the "fiction" of the quadripartite Kommandatura that in any way deterred the Soviets from action in Berlin, but rather the presence of Allied troops here.

On the general position of Berlin he emphasized that there was too little thought in Western Germany of the Berlin situation and too little thought among the Allies; that if even one-tenth of the

[1] Continued from *Foreign Relations*, 1951, vol. III, Part 2, pp. 1828 ff.
[2] Transmitted in despatch 581 from Berlin, Jan. 15.

thought given to the Schuman Plan had been devoted to Berlin, that the position here would undoubtedly be much better. He pointed to a specific example that the GDR [*GFR*] in Bonn even forgot entirely Berlin in the initial discussions of the Schuman Plan and this was, unfortunately, indicative of the frequent attitude of Bonn towards Berlin.

In turning to the trade problem he indicated that he deeply regretted the unreliability of the statistics which have been recently exposed but indicated that with the present attitude of the Berlin industrialists and the critical situation of Berlin business vis-à-vis East Germany, that really accurate statistics were going to continue to be extremely difficult to secure. He stated that he would welcome an American economist who would work in their statistical bureau in any attempt to improve it, but also to show that the statistics required were not available under present conditions.

He stated that the harassment by the Soviets was probably at the lowest point in any time in Berlin's history. He is inclined to believe that this situation may continue for the immediate present although he emphatically stated that it is impossible ever to predict what the Soviets will do.

He intimated that some East-West trade talks were going on at the moment but that he had not been informed as to any current details. The Mayor had also heard the story that has recently come to our attention that the original demand of the Soviets for certificates of origin was really a Soviet bureaucratic "error". He is inclined to give credence to this story. The Mayor stated that he has talked to many Berlin tradesmen who after all think of German trade from a different light than the Allies and see triangular trade continuing. A specific example was quoted of an order of some carburetors which a Berlin factory withheld from delivery to the East Zone and, to their dismay, discovered that some of the carburetors shipped to England had returned to the East Zone via Hamburg. This was given as an illustration that the West Berlin industrialists did not feel that the embargo had been very successful from their point of view.

Mayor Reuter stated that he would like to see the Interzonal Trade Agreement implemented and that he did not believe that this implementation would in itself have any effect on the harassment by the Soviets or lack of harassment. However, if the trade between West Berlin and the East Zone were cut completely for a long period of time, that this fact alone might make the Soviets revise their attitude toward Berlin, since one of the Soviets' reasons for permitting present status of Berlin was East-West trade. Mayor Reuter also felt that any East-West trade was definitely a thread toward unification, whereas, on the other hand, if there was

no East-West trade the very fact would deepen the chasm or wedge between East and West Germany.

In regard to the airlift he stressed the importance of flexibility and pointed out that in the early part of the present airlift this lack of flexibility was very serious. It is for this extremely important point of flexibility that he would prefer a military airlift, and in reply to a question from Mr. Maynard, acquiesced that the actual cost of planes flying in a military airlift might be worked out in a somewhat parallel way to the cost of commercial planes, but that flexibility was the element that was needed. It was completely impossible to predict what the Soviets would do in the future.

The Mayor then proceeded to discuss the financial situation of Berlin. He stated that there were more taxes coming in than last year but that a good portion of these went on to the GDR [*GFR*], that business was building up slowly in Berlin but this, on the other hand, meant for the moment more unemployment because factories now were increasing their efficiency and streamlining their production in some cases by dropping off surplus employees. Mr. Hertz stressed the importance of the work relief program, pointing out that work relief now was on a "productive" basis rather than a leaf-raking basis, but that present funds were to be given out on April 1st and that the city was very much worried about the financial possibilities after April 1st.

The Mayor then said that it was for this reason that he had not been very enthusiastic in talking to Mr. McCloy over the industrial development question as proposed, not because that he did not think it was a good idea, but rather because he was preoccupied at the moment as to the security of funds for the immediate future for the regular program and until there was some assurance of such funds, it was difficult to be enthusiastic about future large investment programs. Both the Mayor and Dr. Hertz, emphasized that they felt it would be most unfortunate from a psychological point of view to cut down the works relief program in the near future when the unemployment rolls were maintaining their present level and it would have an unfortunate reaction on the thinking of the Berlin people.

Mr. Lyon raised the question of the possibility of securing workers for coal mines. The Mayor pointed out that the large load of unemployed in Berlin were white-collar people and women, and that it was very difficult to recruit miners from this group, but they had recruited some miners during the past two years, but that at the moment he was afraid it had not been and could not be significant.

He was extremely interested in how the MSA allocations to Germany would in practice affect Berlin and that he hoped some clarification would be forthcoming in the near future.

CECIL B. LYON

No. 533

862A.00/1-3052: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, March 20, 1952—7:04 p.m.

2174. Fol remarks made by Hallstein Mar 14 at informal mtg with Ger Bureau concerning FedRep support Berlin during course discussion outstanding problems pending in connection contractual arrangements negots. [2] Hallstein said there was no question that Fed Govt assumed responsibility for Berlin. In fact he claimed difficulties in negot arose from reluctance on part Fed Govt to assume as contractual obligation one which they felt was clearly Ger obligationquite apart from any contract placing obligation in scope contractual agreement wld be embarrassing since it wld imply Fed Govt undertook obligation only at insistence Allies.

Hallstein pointed out constitution FedRep specifically provided for inclusion Berlin in terr FedRep and noted this art was inoperative solely due to objection Allies. Were it not for such objection there wld not be any problem whatsoever, he said. Hallstein added Fed Govt wld be seriously disturbed if Berlin shld receive direct dol assistance from US or in other way shld be treated as separate polit entity. He seemed to feel whole Berlin question was satisfactorily under control except for issue he described above of expressing assumption responsibility in such way as not offend sensibilities Berlin and FedRep.

Wld appreciate your comment on above and explanation how this conforms with reports para 2 urtel 1332, Jan 30 [3] that Fed Govt unwilling assume responsibility for support of Berlin. We have not recd advice whether or not proposal stated ourtel 1389, Feb 2 [4] was ever submitted Fed Govt for its comments. Hallstein

---

[1] Drafted by Margolies and cleared with GPA and MSA. Repeated to Berlin, Paris, and London.

[2] Regarding Hallstein's visit to the United States, see the memorandum of conversation, Document 143.

[3] Not printed. (862A.00/1-3052)

[4] Telegram 1389 instructed HICOG to press the Federal Republic for full assumption of Berlin support, allowing the issue to be referred to higher levels if necessary to reach a satisfactory settlement. (862A.00/2-252)

seems to have said such position would not appear objectionable. Wld you advise whether this has been raised with Fed Govt and if so what occurred.

ACHESON

No. 534

662A.00/5–852

Memorandum by the Under Secretary of the Army (Bendetsen) to the Secretary of Defense (Lovett) [1]

TOP SECRET [WASHINGTON,] undated.

Subject: Berlin

During our conference at Bonn, Germany, the afternoon of 8 May, 1952, [2] with Mr. McCloy, he stated his deep concern regarding Berlin. There are firm indications that the Soviets are planning a number of moves and related demonstrations to terrorize the West Germans and embarrass the Allies in order to prevent either the signature of, or if signed, the ratification of the EDC Treaty and the contractual relations with Germany. Some of these moves and demonstrations have already occurred. For example: the attack upon the Air France Aircraft. Intelligence reports reaching McCloy apparently establish clearly others in the offing. Among these is the strong likelihood that the Soviets will destroy the bridge at Essen. This bridge is one of the connecting links in our line of communication for the support of Berlin. If it is sabotaged, we would have no means of supporting Berlin over the established line of communication now in use.

Mr. McCloy, with the strong concurrence of Frank Nash, requested me to lay this problem before you as a matter of extreme urgency. McCloy feels that the U.S. must develop and issue to him, and to the Joint Commander, immediate instructions as to the courses of action to be taken. McCloy feels that the Soviet would refuse a request from the Allies to provide us with an alternate routing through the Soviet Zone. They would merely say, in effect, "So Sorry". It is McCloy's feeling that the United States must accordingly be prepared either immediately to send a column through the Soviet Zone on an alternate routing without hesitation, or resort to the resumption of an air lift operation. As to the first point he feels

[1] Copies of this memorandum were sent to the Secretaries of the three military services, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, Frank C. Nash, and Geoffrey Lewis.

[2] No further record of this meeting has been found in Department of State files.

that any delay, however brief, after the sabotage of the Essen Bridge or some similar vital link, would be fatal if the first alternative were to be employed. As to the second alternative, the consensus of the meeting was that new problems have arisen which would make an airlift most difficult. Those mentioned were these:

a. That it would no longer be practicable to operate through the night. Soviet restrictions and other developments affecting the employment of the Air Corridor to Berlin would apparently limit the operation to daylight;

b. The economy of Berlin has so expanded since Airlift days that the requirements have risen sharply. I have no measurement or data on the influence of this factor;

c. That air logistics support for the Far East Command would not, if maintained, give us the capability of providing again an airlift to the level previously established.

At the request of Mr. McCloy and the concurrence of Mr. Nash, a copy of this memorandum is being handed to the head of the Bureau of German Affairs, Department of State. Other copies are being distributed as below indicated.

No. 535

State–JCS Meetings, lot 61 D 417, "5/14/1952"

Substance of Discussion at a State Department–Joint Chiefs of Staff Meeting, Wednesday, May 14, 1952, 11 a.m. [1]

TOP SECRET

Present:

General Bradley	Mr. Matthews
Admiral Fechteler	Mr. Nitze
General Twining	Mr. Bohlen
General Bolte	Mr. Allison
General Thomas D. White	Mr. Hickerson
Admiral Fife	Mr. Ferguson
General Ruffner	Mr. Alexis Johnson
General Cabell	Mr. Geoffrey Lewis
Admiral Wooldridge	Mr. Stelle
Admiral Lalor	Mr. Kenneth Young
Colonel Carns	Mr. Schwartz
	Mr. Gleason

[1] The meeting took place at the Pentagon. The source text was prepared by the Department of State, but was not cleared with any of the participants.

BERLIN

General Bradley: You want to talk about Berlin first?

Mr. Matthews: Yes. It is pretty clear that with the signing of the Contractual Agreement and the EDC there will be some increase in the tension and harassment. The length to which the Russians might go depends in part on the effect of such measures on the Germans and on Soviet estimates of the risks of general war. Recent indications are the speech by Ulbricht, an East German official, and perhaps the stopping of the M.P. patrols. [2] These are indications that they may be getting ready for more serious steps. We thought it would be useful if we could have a discussion as to how to meet this problem and a picture of the actual position in Berlin—the stockpile and the degree to which we could have an airlift and their ability to interfere with it.

General Bradley: My understanding is that they have a 160-day coal supply and a 120-day food supply. You could stretch the food supply to 125 days.

Mr. Matthews: Are we all agreed that at the first sign of harassment and interference with our rights we should take a firm stand and protest to the Soviet Government?

General Bradley: Well, that is really your business but after you protest, if they don't stop these measures, it would raise a question for us as to our capabilities. I believe we could bring in by air up to 1500 tons a day with present capabilities. It takes 9400 tons a day, however, to keep them going on the present basis and 5500 tons a day to prevent starvation. If we increase the number of planes, we jeopardize our transport planes and if they get knocked down it will affect our atomic offensive. This relates to the consideration as to whether you would go in by force. We were opposed to it before, but it should be reconsidered now. We have four divisions there now. The Commies have built a railroad and are getting the canals fixed and have put up a power plant, so we can't interfere as well as we did before.

Mr. Matthews: They could cut off West Berlin trade.

General Bradley: I believe that the two railroads have been joined together.

Mr. Matthews: I assume there is no difference between us as to the vital importance of remaining in Berlin.

General Bradley: We all agree that if you give it up you are getting in very deeply.

---

[2] Regarding Ulbricht's speech and the stopping of the MP patrols, see footnotes 4 and 2, Document 145.

Mr. Bohlen: I think they are putting on the squeeze to stop things in West Germany, but it won't end there. They will copper rivet their zone and completely Sovietize it. This fact alone will mean that it will probably become worse rather than better if we succeed with the Contractual Arrangements and begin to get German forces.

In 1949, at the Council of Foreign Ministers Meeting, [3] I sat next to Chuikov and he said, "You don't realize how intolerable to us it is having you in Berlin where you can prevent us from consolidating that area." So it is not just to stop what we are doing. They particularly object to the Germans in our sector who can get on soapboxes and denounce the Soviets.

General Twining: We have a lot more big transports now so we could step up the airlift, but if we lose them it really would affect our atomic capabilities.

General Bradley: They also have greater ability to interfere with an airlift.

What is the present status of negotiations with the British and French about a four-power meeting?

Mr. Bohlen: We sent a note yesterday saying first there must be an investigation of the conditions for free elections and when the report of that investigation is in we could meet. [4]

Mr. Matthews: We feel the chances of getting initials on the Contractual Arrangements and the EDC Treaty are pretty good, but there will be trouble before ratification.

General Bradley: Is there any point in holding up the signing until you have a meeting?

Mr. Matthews: No, we are against that. Adenauer is too.

General Twining: They have more capability of impeding an airlift now than they had in 1948, but I don't think they could stop it.

Mr. Lewis: There was some talk about the use of smoke.

General Twining: We could get through that.

Today, on short runs we can carry 25 tons in a C–124.

Mr. Matthews: We submitted a paper to the NSC yesterday on the subject of Berlin, which I don't suppose you have had an opportunity to read. [5] We think it might be useful to have a small State–Defense Working Group.

General Bradley: We have talked to General Cabell about drawing up a plan, say on the basis that the thing broke on May 20, and then keeping the plan up to date by 15-day periods.

---

[3] The Sixth Session of the Council of Foreign Ministers was held at Paris, May 23–June 20, 1949.

[4] For the tripartite note of May 13, see Document 101.

[5] Regarding the paper before the NSC, see footnote 1, Document 547.

General Twining: We are all set to go ahead on that.

General Bradley: Do you need anyone beside Admiral Wooldridge on a State–Defense Working Group?

Mr. Matthews: This paper could go through the normal course with the NSC, but we had in mind a group that could meet on what you might have to do fast.

General Bradley: Did you have in mind a different group than the Senior Staff?

Mr. Bohlen: There are quite a lot of people involved in the Senior Staff. If you are trying to plan for an emergency you want a smaller group.

Mr. Gleason: The Steering Group of the Senior Staff could do it.

General Bradley: I am just trying to avoid setting up a new group.

Mr. Matthews: All right.

Mr. Nitze: The NSC Steering Group will want to call in special people.

Mr. Matthews: On Berlin, we have nothing further.

General Bradley: We will go on with the job of bringing plans up to date, but if you want to take in more than 1500 tons a day we would have to call planes in from Korea and elsewhere.

Mr. Bohlen: Well, the stockpile is better today so even 1500 tons a day might replace the stockpile.

General Bradley: It would prolong the period.

Mr. Matthews: We are all clear that we must stay in Berlin?

General Bradley: Yes, we agree that it would be very serious to get out.

[Here follows discussion of Korea.]

No. 536

662A.00/5–1552: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, May 15, 1952—7:16 p.m.

3150. We have noted from May 13 report Fon Broadcast Info Service that threatening press conference statement made by Ulbricht on May 12 regarding consequences for West Berlin of signing of gen agreement was in response to question by Freie Presse representative worded as fol: "It is known that at the last mtg of

[1] Drafted by Hillenbrand and cleared with Barbour by Laukhuff. Repeated to Berlin, London, Paris, and Moscow.

the SPD Regional Executive in Berlin it was advocated that the gen agreement shld also be applied to West Berlin. What in your opinion are the special consequences of the extension of the gen agreement to West Berlin?"

Since this question presumably planted possibility exists either there is real misunderstanding in Sov minds regarding applicability gen agreement to Berlin or that deliberate effort being made confuse issue so as provide ostensible legal basis for action being contemplated against Berlin after signature contractual agreements. Either event some clear statement for the record seems desirable.

We accordingly request you discuss question earliest opportunity with your Brit and Fr colleagues and Adenauer with view agreement on clarifying statement to be made regarding intended position of Berlin after contractual agreements become effective. Timing and tone such statement shld, of course, avoid giving impression we are being overly defensive or merely reacting out of timidity to Sov threats.

You will undoubtedly likewise wish consult with Reuter and obtain his suggestions as to how best achieve clarification without at same time discouraging Berlin expectancies of at least some favorable revision present status and procedures. [2]

ACHESON

---

[2] On May 17 Lyon replied that he doubted whether there was any misunderstanding by the Soviet Union concerning the applicability of the general agreement to Berlin, but suggested that this was a deliberate use of wording which could be twisted in any direction to justify either action or lack of action. (Telegram 1364 from Berlin, 662A.00/5–1752) The same day McCloy reported that the High Commissioners agreed on the need for a statement. (Telegram 2906 from Bonn, 662A.00/5–1752) The statement was, after consultation with Reuter, released to the press on May 19, and reads as follows:

"The three Western cmdts this afternoon handed to Mayor Reuter, for his advance info, text of declaration on Berlin, which is to establish future basis of relationship between Allied Kommandatura and Berlin city govt. This declaration by AK, which will replace present statement of principles governing this relationship, has been evolved in light of views expressed by Mayor Reuter and the Berlin *Senat*.

"In handling the declaration to Mayor Reuter the cmdts pointed out that, since general agreement and related agreements between Western Allies and FedRep of Ger will have no direct bearing on status of Berlin, which is and must remain, under existing circumstances, quite different from that of FedRep, it had been decided to issue separate declaration re Berlin. Cmdts also stressed that while AK will continue to retain its supreme authority in Berlin on same basis of occupation as in past, new declaration had been drawn up with view to granting Berlin city govt maximum freedom compatible with special situation of Berlin."

(Telegram 1368 from Berlin, May 19, 662A.00/5–1952) For the Declaration on Berlin, see Document 538.

No. 537

Editorial Note

On May 26 the Foreign Ministers of the United States, the United Kingdom, and France and the Chancellor of the Federal Republic of Germany signed the contractual agreements. For documentation on the signing including the texts of most of the agreements, see Documents 50 ff. Two of the many documents signed directly concerned Berlin. The first was the Declaration of the Federal Republic on Aid to Berlin which is printed as Annex A to the Convention on General Relations between the Three Powers and the Federal Republic of Germany, Document 51. The second was a letter from the Three High Commissioners to Chancellor Adenauer, dated May 26, Document 58, informing him that the reservations to Articles 23 and 144(2) of the Federal Constitution, as they applied to Berlin, were being maintained.

Following the signing of the agreements at Bonn, the three Berlin Commandants formally transmitted to Mayor Reuter the Declaration on Berlin and the Declaration Regarding Inclusion of Berlin in International Treaties and Undertakings of the Federal Government, *infra* and Document 539. Finally at the signing ceremonies at Paris on the following day, the United States, the United Kingdom, and France issued a declaration on the strength and integrity of the European Defense Community which included the following concerning Berlin:

"The security and welfare of Berlin and the maintenance of the position of the Three Powers there are regarded by the Three Powers as essential elements of the peace of the free world in the present international situation. Accordingly they will maintain armed forces within the territory of Berlin as long as their responsibilities require it. They therefore reaffirm that they will treat any attack against Berlin from any quarter as an attack upon their forces and themselves.

"These new security guarantees supersede the assurances contained in the declaration of the Foreign Ministers of the United Kingdom, the United States, and France at New York on September 19, 1950."

For text of this declaration, see volume V, Part 1, page 686.

No. 538

762A.0221/6–1052

Declaration on Berlin [1]

[BERLIN, May 26, 1952.]

Taking into consideration the new relations established between France, the United Kingdom of Great Britain and Northern Ireland, the United States of America, and the Federal Republic of Germany and

wishing to grant the Berlin authorities the maximum liberty compatible with the special situation of Berlin,

the Allied Kommandatura makes this declaration:

I.

Berlin shall exercise all its rights, powers and responsibilities set forth in its Constitution as adopted in 1950 subject only to the reservations made by the Allied Kommandatura on 29 August 1950 [2] and to the provisions hereinafter.

II.

The Allied authorities retain the right to take, if they deem it necessary, such measures as may be required to fulfill their international obligations, to ensure public order and to maintain the status and security of Berlin and its economy, trade and communications.

III.

The Allied authorities will normally exercise powers only in the following fields:

a) Security, interests and immunities of the Allied Forces, including their representatives, dependents and non-German employees. German employees of the Allied Forces enjoy immunity from German jurisdiction only in matters arising out of or in the course of performance of duties or services with the Allied Forces;

b) Disarmament and demilitarization, including related fields of scientific research, civil aviation, and prohibitions and restrictions on industry in relation to the foregoing;

c) Relations of Berlin with authorities abroad. However, the Allied Kommandatura will permit the Berlin authorities to assure the representation abroad of the interests of Berlin and of its inhabitants by suitable arrangement.

---

[1] Transmitted as Annex A to despatch 922 from Berlin.

[2] For text of the Allied Kommandatura statement of Aug. 29, 1950, BK–O(50)75, see Ruhm von Oppen, *Documents on Germany*, pp. 509–510.

d) Satisfaction of occupation costs. These costs will be fixed after consultation with the appropriate German authorities and at the lowest level consistent with maintaining the security of Berlin and of the Allied Forces located there.

e) Authority over the Berlin police to the extent necessary to insure the security of Berlin.

IV.

The Allied Kommandatura will not, subject to Article I of this Declaration, raise any objection to the adoption by Berlin under an appropriate procedure authorized by the Allied Kommandatura of the same legislation as that of the Federal Republic, in particular regarding currency, credit and foreign exchange, nationality, passports, emigration and immigration, extradition, the unification of the customs and trade area, trade and navigation agreements, freedom of movement of goods, and foreign trade and payments arrangements.

V.

In the following fields:

a) restitution, reparations, decartelization, deconcentration, foreign interests in Berlin, claims against Berlin or its inhabitants,

b) displaced persons and the admission of refugees,

c) control of the care and treatment in German prisons of persons charged before or sentenced by Allied courts or tribunals; over the carrying out of sentences imposed on them and over questions of amnesty, pardon or release in relation to them;

the Allied authorities will in the future only intervene to an extent consistent with, or if the Berlin authorities act inconsistently with, the principles which form the basis of the new relations between France, the United Kingdom and the United States on the one part and the Federal Republic of Germany on the other, or with Allied legislation in force in Berlin.

VI.

All legislation of the Allied authorities will remain in force until repealed, amended or deprived of effect.

The Allied authorities will repeal, amend or deprive of effect any legislation which they deem no longer appropriate in the light of this Declaration.

Legislation of the Allied authorities may also be repealed or amended by Berlin legislation; but such repeal or amendment shall require the approval of the Allied authorities before coming into force.

VII.

Berlin legislation shall come into force in accordance with the provisions of the Berlin Constitution. In case of inconsistency with Allied legislation, or with other measures of the Allied authorities, or with the rights of the Allied authorities under this Declaration, Berlin legislation will be subject to repeal or annulment by the Allied Kommandatura.

VIII.

In order to enable them to fulfill their obligations under this Declaration, the Allied authorities shall have the right to request and obtain such information and statistics as they deem necessary.

IX.

The Allied Kommandatura will modify the provisions of this Declaration as the situation in Berlin permits.

X.

Upon the effective date of this Declaration the Statement of Principles Governing the Relationship Between the Allied Kommandatura and Greater Berlin of May 14, 1949, [3] as modified by the First Instrument of Revision, dated March 7, 1951, [4] will be repealed.

[3] For this statement, see *Germany 1947–1949*, pp. 324–326.

[4] For documentation on the First Instrument of Revision, see *Foreign Relations*, 1951, vol. III, Part 2, pp. 1828 ff.

No. 539

762A.0221/6–1052

Declaration Regarding Inclusion of Berlin in International Treaties and Undertakings of the Federal Republic [1]

[BERLIN, May 26, 1952.]

1. The Allied Kommandatura declares that it has no objection to the inclusion of Berlin in international treaties and undertakings of the Federal Republic under the following conditions:

a) The Government of the Federal Republic of Germany and the *Senat* of Berlin will be prepared to reach an agreement to the effect that:

[1] Transmitted as Annex B to despatch 922 from Berlin.

1) As far as possible, the Federal Republic will include Berlin within the terms of the Federal Republic's international undertakings.

2) The Berlin *Senat,* subject to the authority of the Allied Kommandatura and the Constitution of Berlin, will implement in Berlin the relevant international undertakings of the Federal Republic.

3) The name of Berlin shall be stated in the text of such treaties and agreements. If for any reason it is impossible to insert the name of Berlin into the text of a treaty, the Federal Republic, either in the instrument wherewith it adheres to the treaty or in a separate statement issued at the time of the signing of the treaty, shall state that the provisions of the treaty will be applied in Berlin. In the matter of trade and payments agreements, it shall be construed that Berlin has been included in the treaty if it is stated that the area of purview of the treaty is the territory of DM West.

4) As long as the application of the provisions of the treaty to the territory of Berlin is not specified by the Federal Republic in any of the foregoing ways, it shall be understood that it is not intended to apply the treaty in Berlin.

5) The Federal Republic will inform the Berlin *Senat* of important international treaty negotiations which touch the interests of Berlin and will act in concert with the Berlin *Senat* for the protection of Berlin's special interests.

6) The Federal Republic will be empowered to include representatives of the *Senat* of Berlin in international discussions. The Berlin *Senat* may apply to the Federal Republic for the inclusion of representatives of Berlin if the discussions concern the conclusion of a treaty that may be extended to Berlin.

b) The Berlin *Senat* undertakes to inform the Allied Kommandatura of international treaties in which Berlin is included, if possible before signature, and, at the latest, immediately after they have been signed by the Federal Republic. At the time of such notification, the Berlin *Senat* will deliver to the Allied Kommandatura 15 copies of the treaties and of the protocols or other documents regulating Berlin's inclusion.

c) Berlin can be excluded from the purview of any treaty if the Allied Kommandatura raises objections to the inclusion of Berlin in such a treaty. The right of the Allied Kommandatura to raise objections will be exercised within a period of 21 days after the notification to it by the *Senat* of the text of the treaty. However, with respect to trade and payments agreements negotiated according to the principles of the General Agreement on Tariffs and Trade, Berlin will not be excluded from the effect of such agreements pending a possible objection.

2. The procedure described in the preceding paragraphs will be applied to all treaties which will be entered into by the Federal Republic in the future, to treaties of the former German Reich which will be reinstated, to adherences to international multilateral agreements, and to accessions to international organizations.

3. With respect to those treaties which the Federal Republic has up to the moment already signed, including adherences to international multilateral agreements and accessions to international organizations, and to those treaties of the former German Reich which have been up to the moment reinstated in the territory of the Federal Republic, the Allied Kommandatura, provided it finds their terms acceptable, is prepared to issue a declaration that it has no objection to their application in Berlin. This declaration will enumerate or designate the treaties concerned. In order that the Allied Kommandatura may be in a position to make this declaration at the earliest possible time, the Berlin *Senat* will make available to the Allied Kommandatura the full texts of all treaties of the Federal Republic and of reactivated treaties of the former German Reich whose provisions it is desired to apply within Berlin.

No. 540

662A.00/5-2852: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET PRIORITY PARIS, May 28, 1952—8 p.m.

924. From Secretary. At tripartite meeting this morning Secretary referred to present and anticipated harassment in Berlin and suggested HICOMs be authorized to protest immediately in Berlin without referring back to capitals since protest within few hours should be more effective. If necessary further protests would be made quickly in Moscow but this should be done only under instructions from respective capitals.

This was agreed and HICOMs authorized to make initial protest in Berlin on any further incidents without further authorization.

It was also agreed lack of legal basis for protest on rupture of communications should not prevent making protest for propaganda purposes. Schuman suggested it describe rupture as peculiar way of encouraging unification and acceptance of Potsdam principles.

ACHESON

---

[1] Repeated to London, Moscow, and Washington; the source text is the copy in Department of State files. Secretary Acheson was in Paris for the signing of the EDC Treaty and related documents.

No. 541

PPS files, lot 64 D 563, "Germany"

Memorandum by the Under Secretary of State (Bruce) [1]

TOP SECRET WASHINGTON, May 28, 1952.

NATIONAL SECURITY COUNCIL MEETING, WEDNESDAY, MAY 28, 1952

BERLIN

I brought up the matters covered by Mr. Bohlen's memorandum regarding Berlin. [2] I said that the attached courses of action were immediately relevant and that I thought none of them departed from the principles outlined in existing authorities. Therefore, they were submitted only for noting and possible discussion, and not for any formal action.

The President said that he believed we and other interested departments should proceed as indicated; that he was in accord with the outline given him regarding the lines on which we were working, and that we needed no additional authority at this time, and if we did so he was sure the NSC would readily grant it. [3]

DAVID BRUCE

[Attachment]

Memorandum by the Counselor of the Department of State (Bohlen) to the Secretary of State

TOP SECRET WASHINGTON, May 27, 1952.

MR. SECRETARY: At a Steering Committee meeting of the NSC Senior Staff this afternoon the situation in Berlin was discussed. While it was not considered that the Berlin policy paper [4] is in proper shape for submission to the Council until next week at the earliest, it was agreed that, in the light of present circumstances, the Council may find it well worth while to discuss the subject. It is recommended, therefore, that you introduce the attached courses of action as being immediately relevant. Because of the shortness of time and the fact that some of the courses do not need Council ap-

[1] Sent to Bohlen, Matthews, and Nitze.

[2] Printed as an attachment below.

[3] A memorandum of the discussion at the 117th meeting of the National Security Council is in the Truman Library, Truman papers, PSF–Subject file. It does not elaborate on the description given here.

[4] Regarding the NSC paper under reference, see footnote 1, Document 547.

proval, it is suggested that you indicate that they are submitted only for noting and discussion and not for any final approval.

CHARLES E. BOHLEN

[Subattachment]

Paper Prepared in the Department of State

TOP SECRET [WASHINGTON, undated.]

1. A special inter-departmental steering group on Berlin should be constituted to coordinate implementation of United States courses of action to counter Soviet measures. [5]

2. Consideration should be given to the desirability of a public statement by the President, warning of the seriousness of the situation, to be issued in the event harassing measures continue.

3. The United States should regard under present circumstances any harassing measures against Berlin taken by the East Germans or other satellites as action by the USSR and should accordingly hold the Soviet Union responsible.

4. The allied authorities should immediately protest to the Soviet authorities in Berlin against any Soviet or satellite infringement of Western rights in the city; and if no reply or an unsatisfactory reply is received, the United States should protest to the Soviet government in Moscow.

5. The United States should immediately accelerate preparations, including consultation with the U.K. and France, for possible early initiation of an airlift to Berlin.

6. The United States should expedite preparations for countermeasures in Germany and should accelerate study of wider nonmilitary retaliatory measures against the USSR. The U.K. and France should be consulted regarding these actions.

---

[5] Apparently on the strength of this recommendation an *Ad Hoc* Berlin Committee was established consisting of members from each of the services, the CIA, and the Department of State. No record of its first meeting has been found in Department of State files, but the second was held on June 13 with Bohlen, Schwartz, and Riddleberger among others attending. The minutes for this meeting are in file 762A.5/6–1352. The committee continued to meet throughout 1952 and 1953 as circumstances warranted.

No. 542

762A.6/5-2852: Telegram

The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

TOP SECRET WASHINGTON, May 28, 1952—7:21 p.m.

3413. For Reber from Riddleberger. Pass CINCEUR and CINC USAFE. We are informed Secy has discussed with you White House conference in which need for building up Berlin stockpile was considered priority matter. Minimum 12 months staggered stockpiling plan is essential element in Dept's thinking and in NSC discussions mentioned by Secy. Six months balanced stockpile considered insufficient.

Air urgently preparing study airlift capabilities event blockade, and advance info on estimates indicates USAFE cld deliver to Berlin 1248 tons daily, which cld soon be increased to 4000, later 8080 tons daily if no Sov technical interference employed. This takes account present commitments in Korea but unforeseen developments might affect availability of aircraft.

You are requested spare no efforts speed stockpiling in Berlin of fuel and other items required in large quantities, with year's staying power when supplemented by limited airlift, as initial goal. We wld expect Gers finance necessary additions to coal stockpile. However, these arrangements might involve delay which is not acceptable. Therefore, suggest you obtain Ger consent use of any committed but unreleased JEIA or FedRep investment funds now available until Gers make more permanent arrangements. In the event this impracticable we wld consent, though reluctantly, to temporary use portion uncommitted balance DM 265 million GARIOA funds previously set aside for Berlin investment program. Such use GARIOA funds must be on temporary basis and GARIOA account reimbursed in final stockpile financing arrangement or at least within ninety days. We wld prefer not use uncommitted funds in view possible prejudice Ger assumption financing responsibility.

We trust West Gers can be persuaded provide necessary train and barge capacity. [2]

BRUCE

---

[1] Drafted by Montenegro and cleared with Laukhuff, Margolies, MSA, and the Department of Defense. Repeated to Berlin.

[2] On May 31 Reber replied that HICOG was fully prepared to support the 12-month staggered stockpile idea, but mentioned that the French and British had been difficult on this idea in the past, and that every effort should be made to sell them and Germans on the need for the fullest cooperation in the undertaking. (Telegram 3174 from Bonn, May 31, 762A.6/5-3152) The following day he discussed the idea with Reuter who promised "to do his utmost to bring about full cooperation of [the Berlin] *Senat* and FedRep." (Telegram 3180 from Bonn, June 1, 762A.6/6-152)

No. 543

762.0221/5–2952: Telegram

The Acting United States High Commissioner for Germany (Reber) to the Department of State [1]

SECRET PRIORITY BONN, May 29, 1952—3 p.m.

3151. Toward end maintaining close coordination on Berlin and preparing protests within framework FM instructions, [2] *Ad Hoc* Committee of Deputy High Commissioners has been created and held initial mtg yesterday. We shall at least once weekly and during present emergency will remain in constant contact.

At yesterday's mtg we agreed on text of individual ltrs to Chuikov from HICOMers to be forwarded tomorrow (text sent in next numbered tel [3]) and also to prepare for forwarding tomorrow general protest on developments in Sov Zone and Berlin of last two weeks [4] (impossible act sooner because of absence today of UK and Fr HICOMs). Fr undertaking to redraft initial US draft to be cleared today and sent without referring back to capitals. Contents will recount moves of Sovs–GDR from May 15 forward, will specifically mention and protest closing of border crossings, interruption in telecommunications, publication of GDR ordinances pertaining to border controls and new regulations for travel within Sov Zone of non-GDR residents, and creation of devastated area along border. We propose that ltr shall have strong propaganda flavor and note that actions complained of belies Sov protestations in favor Ger unity. Such actions will be generally characterized as in contravention of Potsdam.

UK reported on Sov departure from radio station in UK sector in Berlin, together with former Ger properties and valuable record collection. It was generally concluded that nothing cld be done and that under peculiar circumstances obtaining protest inappropriate. We noted that matter had not been especially helped by Mayor

---

[1] Repeated to Berlin, London, Paris, and Moscow.

[2] See telegram 924, May 28, Document 540.

[3] Telegram 3152 from Bonn, May 29. (762.0221/5–2952) The letters protested Soviet stoppage of the military police patrols on the Autobahn.

[4] The general protest was transmitted to Chuikov on May 30. (Telegram 3158 from Bonn, May 29, 762.0221/5–2952) It protested Soviet interruption of access and communications to Berlin and various allegations made in an ordinance dated May 26 which was published by the German Democratic Republic.

Reuter's statement that he welcomed Sov departure "and hoped they wld take bag and baggage" with them.

Ward reported that observations along UK Zone border indicated Sovs intend to create devastated area along border for ostensible purposes sealing off Sov Zone. He reported that trees had been uprooted, brush cleared and designated areas (some believe to lie within UK Zone) plowed.

REBER

No. 544

762.022/5-3052: Telegram

The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

TOP SECRET WASHINGTON, May 30, 1952—10:57 a.m.

3443. Limited distribution. Dept appreciates importance effective propaganda designed to strengthen morale of West Berliners in face Sov moves re Berlin. Dept agrees with analysis in Bonn's 3001, May 22, [2] and believes that major propaganda task is to contribute to maintenance steady nerves, calm minds, orderly routine on part West Berliners. If they present unshaken attitude in face harassments on present scale, possible Sov moves will be at least partially frustrated.

Task involves continuation of present propaganda built on three major reassuring themes, to be exploited concurrently.

One, the occupying powers are determined to defend Berlin, as made plain in tripartite declaration [3] and separate statements by Sec and Eden.

Two, the occupying powers continue to seek unification of Germany in freedom as goal of their policy, as clearly stated in notes to USSR. However, Sov position only offers unification on Sov terms under present circumstances. They are therefore convinced that they must proceed with strengthening of West, notably EDC, as quickly as possible, in order that unification with freedom may later be achieved.

Three, the Western powers maintain belief that this objective and others shared with West Berliners can be achieved by peaceful means; they are not disturbed by Commie threats and alarms from

---

[1] Drafted by Schwinn (PA) and Straus and cleared with GPA, GER, P, and S/S. Repeated to Berlin.

[2] Document 147.

[3] Regarding the tripartite declaration, see Document 537.

whatever source and they have repeatedly demonstrated willingness for serious negotiations with Sovs. Sov-Com harassments are bound to fail. They will not deter the free world in its effort to strengthen its unity and defenses. Rather, they will provide further convincing evidence, if such were required, of the need for this vital undertaking.

Dept believes exploitation inconsistency between Sov harassments and Sov professions peace more effective in areas other than Berlin itself. In Berlin, as Bonn's 3001 suggests, concentration propaganda fire on Sov actions wld contribute their war nerves. When necessary to refer to Sov actions, Dept believes they shld be treated as indicated in paras A, B, C, E, F of Bonn's 3001. Paras D and G support three major reassurance themes set forth above.

Wld appreciate whatever further comments addition to urtel 3001, you may wish to make.

Review of propaganda themes employed during blockade in 1948/49 indicates no useful themes other than those already set forth above.

BRUCE

No. 545

762.0221/6-452: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, June 4, 1952—7 p.m.

1238. Commandants met this morning and reviewed Berlin sitn.

1. Fr cdt indicated that sitn in Fr sector remains about the same; all roads to Sov Zone closed; however certain points at which one can cross: (a) with a pass; (b) without a pass; (c) not at all.

2. US commandant reported on: (a) sitn in Steinstuecken which continues to be somewhat confused with most pedestrians and bicyclists being permitted to pass uninterrupted; some food supplies being held up, some residents being told to get passes and contradictory reports from various German officials. Reuter pressing US for action. I have requested appointment see Dengin re Steinstuecken and intend to protest measures taken by Sovs to cut off Steinstuecken from rest of US sector; [2] (b) US MP westbound from

[1] Repeated to Washington, Paris, Moscow, London, and EUCOM; the source text is the copy in Department of State files.

[2] On June 5 Lyon reported that he met with Susin, instead of Dengin, and had protested the harassment of the residents of Steinstuecken. Susin said that he had

Continued

Helmstedt permitted to proceed along autobahn and arrived safely Berlin today; (c) firing on US jeep (ref Berlin's to Bonn 1233, rptd Dept 1452, EUCOM for Genl Williams 181 [3]).

3. Brit cdt gave background on Rundfunkhaus operation (ref Berlin's to Bonn 1232, rptd Dept 1451, London 224, EUCOM 180 [4]) and his talk yesterday with Dengin (ref Berlin's Bonn 1228 rptd Dept 1448, London 223, Paris 341, Moscow 278, EuCom 179 [5]). He added nothing of importance to facts as reported in above telegrams save that in Rundfunkhaus Brit estimate there is one Sov officer and about 15 soldiers and unknown number of male and female civilians.

Other developments of interest this afternoon.

1. Brit sent letter to Dengin which they consider very definitely establishes fact that road to Eiskeller is part of Brit sector.

2. Genl Mathewson sent strong letter of protest to Dengin re Vopo firing on US patrol. Letter reaffirms *Volkspolizei* have no jurisdiction over members US occupation forces, condemns "use by east zone officials of naked and extreme force entirely disproportionate, from any civilized viewpoint, to alleged misdemeanor it was intended to correct," and requests punishment of guilty parties. (Facts known re incident in addition to those reported earlier tel are that jeep was endeavoring turn around when struck by Vopo rifle bullet and was able return US sector under own power. Jeep actually was few yards inside Sov Zone when struck though this fact not conceded in letter to Dengin. Therefore request this not be confirmed to press.)

LYON

---

no details on the matter, but did admit that Steinstuecken was part of the American Sector. (Telegram 1464 from Berlin, June 5, 762A.0221/6-552)

[3] Telegram 1233 reported that *Volkspolizei* had fired on a U.S. military police jeep that had mistakenly crossed into the Soviet Zone. (762.0221/6-452)

[4] Telegram 1232 reported that the British had delayed placing barbed wire around the Soviet Tank Memorial. (861.422/6-452)

[5] Telegram 1228 reported that Coleman had met with Dengin on June 3 and had told him, *inter alia*, that Soviet access to *Rundfunkhaus* would be granted only when Soviet authorities restored access to the British enclave of Eiskeller. (762.0221/6-352)

No. 546

Truman Library, Truman papers, PSF-Subject file

Memorandum of Discussion at the 118th Meeting of the National Security Council, Wednesday, June 11, 1952 [1]

TOP SECRET

The following notes contain a summary of the discussion at the 118th Meeting of the National Security Council, at which you presided. The Vice President did not attend the meeting, and the Deputy Director, Mutual Security Agency, attended for Mr. Harriman, who was out of the city. General Twining, Vice Chief of Staff, USAF, attended the meeting for the Chairman, Joint Chiefs of Staff. [2]

1. The Situation in the Far East

The National Security Council:

Noted an oral briefing by Major Richard Rule, AF, Joint Chiefs of Staff, on the military situation in Korea.

2. United States Policy and Courses of Action To Counter Possible Soviet or Satellite Action Against Berlin (NSC 132; SE–30; Memos for NSC from Executive Secretary, same subject, dated June 6 and June 10, 1952; Memo for NSC from Executive Secretary, subject: "The Berlin Stockpile Situation and An Analysis of Airlift Capabilities", dated June 6, 1952; NSC Actions Nos. 84–b and 645; NSC 24/3; NSC 73/4, pars. 37–c and 42; NSC 89 [3])

After the briefing by Major Rule, the President turned to the report on Berlin, and Mr. Lay called the attention of the Council to the views of the Joint Chiefs of Staff on the report, to the changes recommended by the Senior NSC Staff in the light of these views, and also to the reference staff study which Mr. Lay noted was un-

---

[1] Drafted on June 12.

[2] A separate memorandum in the PSF-Subject file states that President Truman; Secretary Acheson; Lovett; John Kenney, Deputy Director of MSA; Jack Gorrie, Chairman of the NSRB; John Snyder, Secretary of the Treasury; Sidney Souers, Special Consultant to the President; General Twining, Chairman of the JCS; General Smith, Director of Central Intelligence; Commander M. D. Clausner, JCS; James Lay, Executive Secretary, NSC; and S. Everett Gleason, Deputy Executive Secretary, NSC, were present.

[3] NSC 132 is not printed, but see NSC 132/1, *infra*. SE–30 is not printed. The three memoranda are not printed. (S/S–NSC files, lot 63 D 351, NSC 132 Series) NSC Action Nos. 84–b and 645 are not printed. NSC 24/3 is not printed, but see NSC 24/4 in *Foreign Relations*, 1949, vol. III, p. 839. For NSC 73/4, see *ibid.*, 1950, vol. I, p. 375. Regarding NSC 89, see *ibid.*, vol. IV, footnote 1, p. 867.

coordinated and uncleared by the two departments but represented the best available background information on the subject.

The President then asked Secretary Acheson for his views on the report.

Secretary Acheson replied that he supported the paper subject to the changes recommended by the Senior NSC Staff. On the whole he thought the report an excellent analysis and a good strong policy, and he knew of nothing better that we could do in the present very tough situation. In any event, he believed that NSC 132 offered the best hope of our being able to remain in Berlin.

Secretary Acheson said that he had one question to ask with respect to the analysis of the airlift capabilities. He was concerned with the statement on page 9 of this analysis which seemed to him to indicate a dangerous delay in the capabilities for SAC deployment in the event that it became necessary to resort to an airlift.

Mr. Lay pointed out that the statement on page 9 was not intended to mean that there would be a delay of seven days in initiating the SAC deployment, but rather that the full impact of the SAC deployment would be delayed.

General Twining enlarged on Mr. Lay's point, but agreed that this was the interpretation which Admiral Wooldridge had made of this statement when it was discussed in the Senior NSC Staff.

The President then inquired about the danger of a Soviet destruction of planes which might be used in the airlift and whether this had been taken into account.

In response, Secretary Lovett pointed out that the danger consisted less in air attacks by Soviet planes in the air corridor than it did in a surprise attack on these planes while they were grounded. Consideration had been given to this problem, and the net of the thing was, said Secretary Lovett, that we can probably do this thing short of global war.

At this point Mr. Lay called attention to the CIA estimate of Soviet intentions and capabilities in Berlin. . . .

The President observed that he had discussed the question at some length with Mr. McCloy on the previous day, [3] and he requested the advice of the Council as to whether Miss Margaret Truman could safely accept an invitation to visit Berlin this summer in the course of her European travels.

From the point of view of her personal safety, General Smith expressed the view that it would be safe for Miss Truman to visit

---

[3] No record of this conversation has been found in Department of State files.

Berlin within the next few weeks or months. There was no disagreement with this assurance.

Mr. Gorrie asked permission to raise a question as to the timing of possible Soviet action. Did the Council have any estimate of the approximate date when the Soviets might make the decision to try to expel the Western powers from Berlin by force?

Secretary Acheson said that it was difficult to give a reasonable guess as to such a date since much depended on the time that the treaty between the Bonn Government and the Western powers was ratified. He did not believe that the French, at least, would ratify the treaty before next October.

Mr. Gorrie said that his question arose out of concern as to the tempo of our over-all mobilization program. Since NSC 132 called for full mobilization in certain contingencies, NSRB was very concerned as to whether or not the mobilization program should be stepped up in order to be ready to meet these contingencies.

General Smith pointed out that it was probably safe to assume the passage of at least 24 months prior to the actual use of force by the Soviets in an attempt to expel the Western powers from Berlin.

Secretary Lovett said that if it were not for the steel strike, and if Congress did not cut down severely the military appropriations, we would begin to get maximum returns in war matériel from our present programs after next January 1st.

Secretary Acheson also called attention to two instances in NSC 132 in which the problem which concerned Mr. Gorrie seemed to him to have been taken care of. He then quoted from paragraph 19 on page 11 and paragraph 23 on page 13.

Secretary Lovett, followed by Mr. Lay, also noted that NSC 132 provided for prior preparation for full mobilization in the event of the failure of other measures to enable the Western powers to remain in Berlin.

The President then inquired whether, in the opinion of the other members of the Council, it would be desirable for him to go on the air and talk to the people about the seriousness of the steel situation as it bore on the Berlin problem.

Secretary Lovett offered the opinion that it would be undesirable to link these two situations, since so much of our strength in Berlin depends on a show of calmness and determination. He thought that the situation in Korea provided all that was needed to emphasize the gravity of a protracted steel strike.

Secretary Acheson and the other members of the Council agreed with Secretary Lovett's advice.

The National Security Council:

Adopted NSC 132, subject to the revisions therein recommended by the Senior NSC Staff in the enclosure to the reference memorandum of June 10, 1952.

Note: NSC 132, as amended, subsequently submitted to the President for consideration.

[Here follows discussion of item 3, "NSC Status of Projects."]

No. 547

S/S–NSC files, lot 63 D 351, NSC 132 Series

Report to the National Security Council by the Executive Secretary (Lay) [1]

TOP SECRET
NSC 132/1

WASHINGTON, June 12, 1952.

UNITED STATES POLICY AND COURSES OF ACTION TO COUNTER POSSIBLE SOVIET OR SATELLITE ACTION AGAINST BERLIN

1. In the view of the United States, the maintenance of the Western position in Berlin is of such importance to the Western powers that it could not be abandoned except at the cost of a major political reverse. The Soviet Union has it within its power to make the Western position in Berlin untenable: this result could be accomplished at any time by the use of force; it might be accomplished over a period of time by restricting Western access to the city. In the view of the United States, the Western powers should not voluntarily abandon the city under communist pressure even though the resulting situation may involve great risk of general war.

2. It is also the view of the United States that the Soviet Union should be held responsible for any communist action against the Western position in Berlin whether the action is taken by the Soviets or by East Germans or other satellites. Should a significant change in the status of East Germany take place, and particularly

---

[1] NSC 132/1 consists of this report, a cover sheet, and a note by Lay, which states that the National Security Council at its 118th meeting on June 11 had adopted NSC 132 subject to certain revisions (see subsequent footnotes for the differences between NSC 132 and 132/1) recommended by the Senior Staff. The resulting report, printed here, and circulated as NSC 132/1, was approved by President Truman on June 12.

The first draft of this paper which has been identified in the files of the Department of State was prepared by GER and S/P and dated Apr. 29, 1952. (762A.00/4–2952) It is based on the same lines but is briefer than NSC 132/1. Another draft, dated May 13 (762.0221/5–1352), has a more complete treatment of the problem. It was approved by S/P, GER, and UNA and circulated by Lay to the NSC Senior Staff on May 14. The text of NSC 132 is indicated in the footnotes following.

should the Soviets take steps to give East Germany the juridical semblance of autonomy, the courses of action which follow should be reviewed. Pending such review, the policy in this paper will retain its validity.

3. As long as Germany remains divided and Berlin is a land island in the Soviet Zone, the maintenance of our position in the city will not be an easy task. On the contrary, it is likely to be as nerve-wracking as it is important, and there is no way to make it otherwise. We must expect continuing harassing measures of greater or lesser severity. These measures may be designed to put us under pressure for the purpose of gaining concessions from us in Germany or elsewhere in return for the relaxation of the harassing measures. Or conceivably they may even be designed to provoke us into the use of force in an effort to make us appear responsible for the war which would probably follow. Or, and this is the most probable contingency, these measures might flow from steps which the Soviets would logically take to consolidate and strengthen their position in the eastern zone of Germany now that they are faced with the tying of West Germany into the Western defense community.

4. In considering possible courses of action, we must recognize that they can be pursued effectively only with the support of our major allies. It is reasonable to assume that divergencies of view are liable to develop as to the desirability and effectiveness of specific courses of action, and the United States must take these into account at every stage of planning and execution of plans.

5. The United States should therefore, as appropriate, seek agreement with its allies to common courses of action in each of the situations set forth below:

a. Western access to Berlin is not seriously impeded;
b. Serious harassing measures short of a full blockade are employed;
c. A blockade or harassing measures tantamount to a surface blockade are imposed;
d. The Western position has become or is about to become untenable;
e. A Soviet or satellite attack on the Western forces in Berlin occurs.

A. COURSES OF ACTION IN THE EVENT THAT WESTERN ACCESS TO BERLIN IS NOT SERIOUSLY IMPEDED

6. The United States, in concert with appropriate allies, should take advantage of situations in which access to Berlin is not seriously impeded, to decrease Berlin's vulnerability by such measures as the expansion of stockpiles and of airlift capabilities. In addition, they should prepare to react by economic and other reprisals against the Soviet system in the event that the Soviet rulers inten-

sify their harassing measures. Finally, in the light of the tensions which would be created by intensified harassing measures they should develop Western strength and unity to a degree not otherwise possible.

7. The measures which can be taken to decrease the vulnerability and enhance the security of the Western position in Berlin depend largely on the degree of Western unity. If the United Kingdom, France and the Federal Republic have a determination to hold Berlin equalling our own, it should be possible to increase our staying power. If this unity is evident to the Soviet rulers, it may serve as a deterrent to aggressive Soviet action. The United States should do what it can to foster unity on this matter.

8. A variety of measures should be taken to convey to the Soviet rulers the determination of the Western powers to remain in Berlin even at the risk of using force to maintain access to the city. It is believed that informal warnings are preferable to formal governmental statements, whether made publicly or communicated through diplomatic channels. Formal action might become desirable if the communists take or seem about to take actions which threaten to make the Western position untenable. It should be made clear that the Western powers will regard the Soviet Union as being responsible for action by the East Germans or other satellites.

a. High officials of the United States should from time to time indicate in press conferences, speeches, etc., that the United States is determined to remain in Berlin, will take whatever measures are necessary to maintain access to the city and their position in it, and is confident that the Russians are sufficiently aware of the dangerous consequences which would flow from the imposition of harassing measures to make such action unlikely.

. . . . . .

c. U.S. officials in Germany should from time to time "brief" the West Berlin and West German authorities on the determination of the Western powers to maintain their position in the city, with the expectation that such information would reach the communists.

d. Parallel action by officials of allied governments should be sought.

9. The United States should take and encourage action which will strengthen and make evident allied preparedness to cope with a new blockade. This should include the further build-up of a staggered stockpile * in Berlin adequate to maintain Berlin and the

* A staggered stockpile as here proposed is one containing a preponderant supply of relatively inexpensive items needed in large quantities, such as coal and grain, which require greater capacity for their transport during an airlift than the remaining necessary items. [Footnote in the source text.]

Western position there for a year, as an initial goal, based upon the assumption that a limited airlift can be established and maintained. The appropriate authorities of the United States Government should prepare, as a matter of urgency, a plan for building up and financing this stockpile and for necessary related measures, such as the maintenance and improvement of Berlin airfields. When the foregoing stockpile level has been reached, consideration should be given to the desirability of further increases which would prolong the period during which the Western powers could maintain their position in Berlin in the face of harassing measures.

10. Consideration should now be given to the questions whether it is feasible to evacuate part of the Berlin population and whether, if this could be done, the Western airlift could supply the remaining population and the Western forces with essential supplies.

11. In preparation for severe harassing measures or a blockade, the United States, in concert where appropriate with the U.K., France, and other allied nations, should:

a. Make plans for mounting the maximum practicable airlift.

b. Make plans for such contingencies as use of alternate land routes to Berlin and for engineering work which may be needed to repair obstructions to ground travel such as bridge and railroad repair.

c. Make plans for an immediate cessation of trade and transport with the Soviet bloc by the United States and as many allied nations as possible in the event of a blockade. Since the United States now has a virtual embargo on trade with the Soviet bloc, there is little which the United States can do to increase pressure on the Soviet bloc by intensification of its own trade restrictions. In view of the fact that the possibility of counter-action and reprisal depends almost entirely upon the extent to which our allies in Western Europe are willing to take the necessary measures, it is essential to obtain some sense of the extent to which these other countries would be willing to institute such measures in the event of a new Berlin blockade or other harassment of Berlin. Accordingly, the United States should consult with the U.K., France, other Coordinating Committee (COCOM) countries, and Western Germany on this issue and joint planning should be promptly instituted to develop these measures in detail. In this connection, consideration should be given to the best means of replacing from non-Soviet sources, the essential Western imports from the Soviet system which might be cut off by the Soviet rulers if the Western powers cut off important exports to the Soviet system.

d. Recognizing the possibility that the Western position in Berlin might ultimately become untenable, make plans to materially increase military capabilities to meet the increased threat of general war resulting from that possibility.

e. Make plans for the use of military force in carrying out the courses of action contained in paragraphs 23–25.

12. The appropriate authorities of the United States Government should make such preparations as are feasible for additional reprisals which might be taken against the Soviet system when and if the Soviet rulers intensify harassing measures.

13. The United States should discuss certain aspects of the problem of reprisals with the U.K., France, Western Germany and other allies whose cooperation would be important and attempt to reach agreement with them on the general nature and purpose of the reprisals which would be taken when and if the Soviet rulers intensify harassing measures. The costs of reprisals to the Western powers should be considered as well as the cost of any set of reprisals to the Soviet system. Reprisals need not be restricted to ones directly linked to the local situation, particularly since the Soviet zone is becoming increasingly less vulnerable to the measures of economic retaliation employed up to now. For example, reprisals might include measures against Soviet sea-borne commerce, such as strict enforcement of all relevant laws, regulations, and so forth, with the object of greatly slowing down and impeding this commerce without actually forbidding it.

14. The appropriate authorities of the United States Government should keep under continuing review, in the light of the situation in Berlin, the courses of action which could be taken to accelerate the Western defense effort and to increase Western unity, including consideration of full mobilization.

15. The United States should discuss means of increasing Western strength and unity with the U.K., France, Western Germany, and other allies whose cooperation would be important, and attempt to reach agreement with these allies that such actions will be initiated when and if the Soviet Union intensifies harassing measures.

. . . . . .

The United States and its allies should maintain flexibility in implementing the courses of action set forth in the following sections.

B. COURSES OF ACTION IN THE EVENT OF SERIOUS HARASSING MEASURES SHORT OF A FULL BLOCKADE

17. One of the most probable lines of Soviet or satellite action in the coming period would be employment of harassing tactics, particularly with reference to movement of persons and things to and from West Berlin, short of full blockade but drastic enough to seriously injure the Western position in Berlin, without, however, threatening to make it immediately untenable. In addition to producing this effect, the purpose would probably also be to under-

mine West Berlin morale and sow confusion and dissension among the Western powers while not incurring the psychological disadvantages of a full blockade.

18. The object of United States courses of action in meeting such a situation should be to minimize the above-mentioned effects, prolong Western capacity to stay in Berlin, and use the increased tension to accelerate the strengthening of the West. Accordingly, the Western powers should initiate—taking account of the particular circumstances at the time—such measures as may be appropriate for which preparations will have been made in accordance with the recommendations in paragraphs 11–. . . above.

C. COURSES OF ACTION IN THE EVENT THAT A BLOCKADE OR HARASSING MEASURES TANTAMOUNT TO A SURFACE BLOCKADE ARE IMPOSED

19. Because it would be very difficult to disguise the true nature of any armed attack on Berlin, and nearly certain that any armed attack would rapidly lead to general war, it is highly probable that the Soviets or satellites, if they decide to drive the Western powers from Berlin, will attempt to accomplish this result by restricting access to the city. Belief on the part of the Soviets or satellites that the Western powers would probably use force rather than abandon the city without resistance will tend to deter Soviet action which would pose this choice for the West. However, the Soviet or satellites may not be deterred. If the Soviet or satellites so intensify harassing measures as to threaten to make the Western position in Berlin eventually untenable, the Western powers should prolong the period during which they will be able to remain in the city by taking such measures as an airlift, and should make use of this period to accelerate the Western defense effort and to increase Western unity, including consideration of the initiation of full mobilization. They should also take retaliatory action in an effort to induce the Soviet or satellites to cease their harassment. In short, during this period the Western powers should initiate—taking account of the particular circumstances at the time—such measures as may be appropriate for which preparations will have been made in accordance with the recommendations in paragraphs 11–. . . above.

20. The Western powers should re-open the Berlin case in the United Nations and should make full use of the United Nations in their efforts to prevent the serious deterioration of the situation and to gain world support for their efforts to remain in Berlin.

21. A direct approach to the appropriate Soviet authorities by the U.K., French, and U.S. Ambassadors in Moscow should be considered if and when a blockade or harassing measures tantamount to

a blockade are imposed or are about to be imposed. † It might be desirable to make a frank exposition, in the light of firm determination of the Western powers to maintain their position in Berlin, of the consequences of the course on which the Soviets or satellites appeared about to embark or had embarked.

D. COURSES OF ACTION IN THE EVENT THAT THE WESTERN POSITION HAS BECOME OR IS ABOUT TO BECOME UNTENABLE

22. The Soviet Union probably now has at its disposal means short of overt attack which could seriously interfere with the operation of an airlift. If this proves to be the case and if it employs these means, the Western position in Berlin may become untenable.

23. The Western powers should avoid the use of force unless and until necessity dictates. However, if the Western position is about to become untenable despite the measures recommended in the paragraphs above, it is the view of the United States Government that the Western powers should be prepared to use limited military force rather than voluntarily abandon their position in Berlin. If this need arises, they should realize that they are likely to meet resistance and that war would then be an imminent probability, and they should therefore initiate reasonable precautionary measures probably including full mobilization and appropriate redeployments of military forces. Additionally, they should take measures in the UN and elsewhere designed to lay the best possible foundation for the forceful action which might become necessary. [2]

24. As a last resort short of the use of force, an ultimatum to the Soviet Union would probably be desirable. It would demand the lifting of the blockade and other harassing measures and would explicitly or implicitly threaten the use of force to break the blockade in the event that the Soviet or satellites disregarded it. The precise nature, terms, and form of the ultimatum and the participation in

---

† This does not, of course, preclude approaches at other levels such as have been employed in the face of past harassments. [Footnote in the source text.]

[2] In NSC 132 paragraph 23 reads as follows:

"23. The Western powers should avoid the use of force unless and until necessity dictates. It might be desirable, before this stage is reached, to approach the highest Soviet authorities in a last minute effort to avoid war. However, if the Western position becomes untenable despite the measures recommended in the paragraphs above, it is the view of the United States Government that the Western powers should use force rather than abandon their position in Berlin. If this need arises, they should act in the realization that they will almost certainly meet resistance, that war is an imminent probability, and that they should initiate reasonable precautionary measures probably including full mobilization and appropriate redeployment of military forces. Additionally, they should take measures in the UN and elsewhere designed to lay the best possible foundation for the forceful action which might become necessary." (S/S–NSC files, lot 63 D 351, NSC 132 Series)

it should be determined in the light of the circumstances at the time. It should be formulated in terms which are consistent with the UN Charter, particularly Article 51, and which will serve to gain the widest possible UN support.

25. If the Western position becomes untenable despite the measures recommended above and if in these circumstances it is decided to use force to open a corridor to Berlin, the Western powers may be able to maintain their position in Berlin if the Soviets do not offer armed opposition. If, however, determined Soviet armed opposition should develop, the Western powers should not undertake to commit additional forces to meet such opposition in an effort to hold Berlin, but would have to face general war. [3]

E. COURSES OF ACTION IN THE EVENT OF A SOVIET OR SATELLITE ATTACK ON WESTERN FORCES IN BERLIN

26. The United States, U.K. and France maintain a sizable military force in Berlin. An attack on these forces is covered by the NAT commitment. A Tripartite Declaration issued at the signing of the EDC Treaty reaffirmed our commitment with respect to Berlin. [4] We assume that control of Berlin, in and of itself, is not so important to the Soviet rulers as to justify involving the Soviet Union in general war. We can therefore act on the assumption that the Soviet rulers will not use Soviet forces to drive the Western powers from the city unless they decide for other reasons to provoke or initiate general war.

27. If the Soviet Union should attack Berlin with its own forces, the United States Government will have to act on the assumption that general war is imminent. In addition to resisting the initial attack and to placing itself in the best possible position for immediate global war, the United States Government should, if circumstances permit, address an ultimatum to the Soviet Government before full implementation of emergency war plans. It will be desirable to issue the ultimatum through NATO, if possible. If this is not possible, it would be of great importance to act in concert with other allied governments, especially the Governments of the U.K., France, and the Federal Republic. The precise nature, terms and form of the ultimatum and the participation in it should be deter-

---

[3] Paragraph 25 in NSC 132 reads as follows:

"25. If the Western position becomes untenable despite the measures recommended above and if in these circumstances it is decided to use force, the Western powers may be able to maintain their position in Berlin if the Soviets do not offer armed opposition. If however, determined Soviet armed opposition should develop and continue, the Western powers would have to face a general war." (S/S–NSC files, lot 63 D 351, NSC 132 Series)

[4] Regarding the tripartite declaration, see Document 537.

mined in light of the circumstances at the time. Appropriate action should be taken in the UN to gain the widest possible support for the actions which had been forced upon the United States and its allies by the Soviet Union.

28. It should be noted that an overt, direct attack on Berlin by Soviet forces as an initial move in a deliberate resort to war is most unlikely. If the Soviet rulers decide to initiate or provoke general war using Berlin as a pretext, it is probable that they will seek to conduct themselves in a way which will obscure their own responsibility and place responsibility on the Western powers. It should be an important objective of the United States and its allies to foil this effort, no matter what ruses the Soviet rulers employ to conceal or dissemble the nature of their action.

29. It is probable that if the Soviet rulers decide to drive the Western powers from Berlin by force, they will initially use East German forces and will attempt to portray this attack as a counteraction to some action by the Western powers. [5] If this contingency arises, the United States should act as indicated in paragraph 27. It would probably be feasible and it might be even more important in these circumstances to issue an ultimatum to the Soviet Union before full implementation of emergency plans for general war.

30. We can also act on the assumption that the Soviet rulers will not use East German or other satellite forces to drive the Western powers from the city unless they are prepared to accept the risk of general war. [6] This is so because it would be extremely difficult to localize the resulting hostilities. A possible exception should be noted: there is perhaps a chance that the Soviet rulers might use East German forces—alone or reinforced by other satellite forces—under certain circumstances in the belief that if the Western powers did not back down, the satellite action could be broken off without involving the Soviet Union in war. So long as Soviet forces remain in Eastern Germany, should satellite forces attack Berlin the United States, in concert with appropriate allies, should immediately call upon the Soviet Union to suppress the attack at once or stand responsible for its continuance. Should the USSR fail to take adequate and prompt action to terminate the satellite attack, the action outlined in paragraph 27 should be taken.

---

[5] In NSC 132 the first sentence of paragraph 29 reads as follows:

"For the reason indicated in the preceding paragraph, it is probable that if the Soviet rulers decide to drive the Western powers from Berlin by force (with the intention of proceeding to general war if the attack is resisted), they will initially use East German forces and will attempt to portray this attack as a counteraction to some action by the Western powers." (S/S–NSC files, lot 63 D 351, NSC 132 Series)

[6] The last part of this sentence in NSC 132 reads "unless they decide for other reasons to provoke general war." (S/S–NSC files, lot 63 D 351, NSC 132 Series)

No. 548

762.0221/6–1252: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, June 12, 1952—11 a.m.

1277. Commie campaign of harassment against West Berlin initiated in reprisal for signing of contractual agrmts and EDC now appears to have passed through first phase without having had any appreciable effect on status and security of city or on determination of West Berliners to stand fast in face of Commie pressure.

Drastic Commie measures against West Berlin which were anticipated in many quarters as result of violent Ulbricht threats and fulminations of Commie press have largely failed to materialize thus far. Berlin's normal road, rail, air and water communications with West remain in full operation (with exception of MP Autobahn patrols). Commie-inspired E sector demonstrations against Bonn Govt and Western Allies since May 26 have been unimpressive in scope (with possible exception of that of May 29), and in few instances where effort made to penetrate West Berlin, mobs have been broken up quickly and without undue difficulty by normal West Berlin police force. West Berlin internal telephone service now functioning normally after some original inconvenience caused by action of East auths in cutting off West Berlin's connections with East Berlin and Sov Zone; evidence indicates in fact that this action may have boomeranged to some extent against Commies. In all other respects communications between West and East Berlin are functioning normally.

Only aspects of Commie pressure thus far which appear to have aroused any concern among local population have been cutting off of access to Sov Zone, where many West Berliners have relatives, farms, etc., which they cld previously visit without hindrance, and series of Commie-inspired incidents around West Berlin perimeter, particularly those involving West Berlin exclaves. Situation re latter appears to be returning to normal, at least for moment, and residents are traveling back and forth freely with GDR passes. Troublesome aspect of matter remaining unsolved, however, is that West Berliners other than exclave residents are apparently not being permitted to transit Sov Zone to exclaves unless they are in possession of special GDR pass.

---

[1] Repeated to Washington, London, Paris, and Moscow; the source text is the copy in Department of State files.

In balance, morale of West Berliners seems not only generally unimpaired but, if anything, higher than before current Commie war of nerves and pinpricks initiated. Berliners tend to thrive when in limelight, and such recent developments as repeated assurances by SecState and High Commissioner of Western determination to stand by Berlin at all costs, Eden visit, [2] and such Allied reprisals as expulsion of Sov guards from Griebnitzsee and blockade of Rundfunkhaus, have combined to hearten and encourage average Berliner and re-instill in him "front-line" spirit of airlift period.

In brief, therefore, life in West Berlin is on the whole functioning quite normally, and local population faces possibility of renewed Commie pressure with relative equanimity. Shld pressure of more drastic character materialize, however, Western Allies may expect to find themselves confronted with local demands for equally drastic countermeasures. In addition, as we have stressed previously, there is always danger that if Sov pressure shld be applied in unspectacular and drawn-out fashion, morale of Berliners might tend to flag over long haul.

LYON

[2] Foreign Secretary Eden visited Berlin following the signing of the contractual agreements.

No. 549

762A.6/6-2452: Telegram

The Secretary of State to the Department of State [1]

TOP SECRET LONDON, June 24, 1952—6 p.m.

Secto 3. Secy and Eden this morn agreed on desirability of 12 month staggered stockpile in Berlin to be worked out so far as possible between HICOMs and Gers. It was also agreed that simplification of command structure and retaliatory counter should be worked out by HICOMs, in the latter case so far as possible with the Gers, so as to be ready to put them into effect in the event of blockade. Agreed also common survey airlift possibilities.

ACHESON

[1] Secretary Acheson was in London to receive an honorary degree from Oxford University and as the first step in a trip that also included visits to Berlin, Vienna, and Rio de Janeiro. Regarding his visit to Berlin, see telegram 1375, Document 551.

No. 550

762.0221/6-2652: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, June 26, 1952—5 p.m.

1357. Fol is brief summary of current Berlin picture. Sitn now appears fairly well stabilized, at least for moment, following flurry of Commie moves immed after signing of contractuals and EDC pact. Commie reprisals thus far seem to have been aimed primarily at sealing off GDR population from contact with West, with harassment of West Berlin developing as secondary and consequential result.

There has as yet been no interference of any significance with normal transport routes between Berlin and West other than case of MP patrols, which are still denied access to Autobahn despite two protests by High Commissioners to Chuikov. Road, rail, water and air communications between Berlin and FedRep are functioning satisfactorily despite closure number of zonal border crossing points those remaining are adequate for traffic. 19 of 24 long distance telephone circuits between West Berlin and FedRep severed but remaining facilities plus radio telephone circuits adequate for essential traffic. Telephone connections with East Berlin and Sov Zone also cut. Telegraph connections untouched. DDR auths started filling new by-pass canal weekend of June 22 and canal now scheduled to open June 28.

West Berlin's economic sitn is generally unimpaired. There has been no evidence of flight of capital or cancellation of industrial orders and econ activity is proceeding normally. Reuter and other local leaders have expressed apprehension that current tension may result in curtailment of orders from Western Germany to Berlin producers but local confidence has been bolstered to some extent by assurance of Berlin aid given recently by FedRep. Unemployment trend continues upward.

Certain measure of hardship (primarily psychological) has been inflicted on many West Berliners by GDR imposition of special pass requirement for entry into Sov Zone. Such passes are being issued on extremely limited scale and thousands of West Berliners are encountering great difficulties in visiting relatives in Sov Zone or proceeding to their gardens and small plots of farmland around Berlin perimeter; population is particularly aroused over latter sitn since

[1] Repeated to London for Secretary Acheson and to Washington; the source text is the copy in Department of State files.

farms are reportedly being despoiled by Vopos and SED functionaries. Considerable illumination thrown on pattern of Commie tactics this regard by GDR announcement June 26 to effect that West Berliners who have "second seat of residence" in GDR or work there will lose "residence permit" unless they definitely move their seat of residence to GDR or East Berlin.

In addition, sitn of West Berlin exclaves such as Steinstuecken is not entirely normal; while exclave residents can for moment travel freely across intervening strip of Sov territory, other West Berliners are not being permitted to visit exclaves unless in possession of special GDR pass. As yet no formal protest has been made against pass requirement, in view desirability of securing tripartite agreement both here and in Bonn as to appropriate basis for protest to Sovs.

Subject to above, however, West Berlin morale remains good and there is no evidence of any trend on part of population to yield to Sov pressure or to seek any expedient smacking of appeasement. Inspirational leadership of Reuter, in particular, has been responsible for considerable backbone-stiffening over recent weeks.

While West Berlin thus appears to have emerged relatively unscathed from first phase of anticipated harassment from East, further Commie chicanery seems likely to develop. Present evidence indicates next phase may take shape of measures to split city and seal off all communications and facilities between East and West Berlin. From purely technical standpoint West Berlin officials have made all possible preparations for such development and impact of move on West Berlin's economy wld not be unduly serious although it might result in some increase in unemployment and need for greater external financial assistance. Psychologically, however, this development wld add considerably to West Berliners' present feeling of isolation and wld over period time probably have definite adverse effect on local morale. If splitting of city shld be combined with renewed and more severe harassment of Berlin's communications with the West, problems of considerable gravity wld be presented.

LYON

No. 551

110.11 AC/6–2952: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, June 29, 1952—6 p.m.

1375. Re Berlin to Bonn 1373, Vienna 25, London 242, Paris 360, Dept 1573, June 29. [2] Secretary's visit here most successful. [3] At Gen Mathewson's reception yesterday Secy was able to talk informally with local German officials, State Secretary Hallstein, Brit and Fr commandants and members of allied colony and local Germans. A Soviet group led by Ambassador Semeonov and Dengin also attended.

At Mayor Reuter's dinner last evening Secy's very sincere informal remarks made deep impression on German guests and his presentation of first book to new library, *Karl Schurz–Abraham Lincoln Letters,* considered thoughtful gesture which was much appreciated.

Secy's press interview this morning at Rathaus, with approx 140 American, German and other nationality correspondents, appeared to go off without hitch (transcript being forwarded by separate cable). [4]

Finally, Secy's speech at library cornerstone ceremony this morning at which Ger police estimate between 50,000 and 80,000 Berliners including many East Germans were present, hit right time. Customary silent German crowds applauded loudly when Secy stated "we shall remain in Berlin until we are satisfied that the freedom of this city is secure".

That this is what Berliners want to hear at present juncture was also brought out in press conf where many questions indicated deep interest in what US intends to do shld there be another blockade.

Indication of what Secy's symbolic visit meant to Germans can be gained from incident at termination of this morning's ceremony: Little old lady escaped from crowd, presented herself to Secy saying she was from East Sector (substantiating this by showing

---

[1] Repeated to Washington, Vienna, London, Paris, and Moscow; the source text is the copy in Department of State files.

[2] Telegram 1373 reported that Secretary Acheson had departed for Vienna at 1:15 p.m., June 29. (110.11 AC/6–2952)

[3] Secretary Acheson was in Berlin June 28 and 29. For his brief account of the visit, see Acheson, *Present at the Creation,* pp. 662–663. For the text of his statements at Mayor Reuter's dinner on June 28 and at the cornerstone-laying ceremonies on June 29, see Department of State *Bulletin,* July 7, 1952, pp. 3–6.

[4] Telegram 1574 from Berlin, June 29, not printed. (662A.00/6–2952)

her papers); said that only hope of East Germans is in US and begged Secy to give her brief written message which she might carry back to bolster and sustain their faith.

Following Secy's departure Mayor Reuter expressed to me his complete satisfaction with results of visit.

I am certain that Berliners are extremely appreciative of effort Secy made to visit them during trying days which they are experiencing; that they appreciate motives which prompted him to do so and that morale purpose which he had in mind in coming has been more than accomplished. Moreover, significance of his visit will be understood farther eastward.

Subject of Secy's breakfast talk with Hallstein this morning will be transmitted by him directly from Vienna. [5]

LYON

[5] Reference is to Secto 50 from Vienna, Document 119.

No. 552

762A.5/7-152

Notes on the Fourth Meeting of the Ad Hoc Berlin Committee, June 30, 1952 [1]

TOP SECRET

PRESENT

State:
Mr. Charles E. Bohlen
Mr. James Riddleberger
Mr. Harry H. Schwartz

Defense:
Admiral Austin (Navy)
General Elmore (Army)
Colonel Harriott (Army)
General Harris (Air Force)
Mr. Charles Noyes (Office of Secretary of Defense)

CIA:
Mr. John A. Bross

Colonel Harriott reported on his trip to Germany and Berlin. The following principal points were brought out by Colonel Harriott's report and by the discussion which followed:

[1] Drafted by Schwartz on July 1. Regarding the origins and the first and second meeting of the *Ad Hoc* Berlin Committee, see footnote 5, Document 541. No record of the third meeting, which was held on June 20, has been found in Department of State files.

1. Combined Command—In the opinion of the U.S. military authorities the present Command arrangements in Berlin are unsatisfactory. It is "command by committee", with a rotating chairman who would be the overall commander in the event of an emergency but who must consult the other two commandants if possible with major rule prevailing. All three commandants agree on the necessity of combined command in the event of emergency but the U.S. military authorities believe that we must have plans for a combined plan prior to an emergency. . . .

2. The U.S. Command has a crash evacuation plan which, with 24 to 48 hours warning, will give them a good chance to evacuate all American non-combatants either to the UK or to Orly by air where they become the responsibility of the Washington Liaison Group. The U.S. Command would not be able to assist in the evacuation of French and British non-combatants and is going on the assumption that the French and British have their own plans. It is probable, however, that neither the French nor the British have the capability of evacuating their own non-combatants and desire a multilateral evacuation plan. It was brought out in the discussion that if we want cooperation from the French and British on a combined command and a generally united and strong front throughout a period of tension we may have to examine further the possibility of multilateral crash evacuation plan—there being no problem of evacuation under blockade conditions.

3. The plans of the U.S. military authorities for either a reduced or a large scale airlift are both sound and ready.

4. Both British and French have some sort of a tie-in between their commands in Berlin and SHAPE. The Americans have tried, and consider it most important, to keep these matters entirely separate and all agree that this is something which should be constantly watched.

5. Both General Handy and General Mathewson are firmly of the opinion that force should be used only as a last resort and that no show of force should be mounted from Berlin. They point out that the Communists will always have the capability of permitting a military force to come through without molestation and then close in behind it.

6. The U.S. military authorities think it most important that the three powers show no sign of weakness during a period of tension and in particular that military garrisons in Berlin not be reduced during such a period. . . .

7. Although they have not analyzed NSC 132 [2] in detail, Generals Handy and Mathewson believe that their present directives are sufficient and they require no further directives from the Joint Chiefs.

8. The 60,000 East German troops are divided into 24 Soviet type divisions. They are only cadres and would need to be reorganized in order to attain an offensive capability—this is one of the moves which might give us warning of a possible attack.

9. Mr. Riddleberger reported that the six months "balanced" stockpile is complete except for certain industrial raw materials but there are still financial difficulties on the staggered stockpile and that as of the time of meeting there was no report on top French Government agreement on the staggered stockpile.

10. It is generally agreed that most signs seem to indicate that during this phase, at any rate, the Russians are concentrating on sealing off Western Berlin from Eastern Berlin and Eastern Germany rather than trying to cut communications between Western Berlin and Western Germany. It was agreed that HICOG should be asked to report on the additional economic burdens which might be imposed on East Berlin as a result.

11. Mr. Riddleberger reported that a survey indicated that currency manipulations in Berlin were more likely to be counter-productive, at least until such time as the sealing off process had been completed.

12. It was agreed that in the absence of a request for a meeting in the interim by any member the next meeting need not take place before Friday, July 11.

---

[2] Not printed, but see NSC 132/1, Document 547.

No. 553

662A.00/7-952: Telegram

The United States High Commissioner for Germany (McCloy) to the Department of State [1]

SECRET BONN, July 9, 1952—2 p.m.

107. Dept pass Moscow. While in Bonn for conclusion of contractuals, Secy stressed importance of promptly protesting Sov harassments and of followup in Moscow if satis not obtained. Subsequently in Paris tripartite agrmt was reached on procedures to be fol-

---

[1] Repeated to London, Moscow, Paris, and Berlin.

lowed, [2] and auth was delegated to HICOMers to protest in Berlin without ref to govts.

During past six weeks numerous protests have been made at various levels both in AHC and Kommandatura. While evaluation of results achieved necessarily must be highly speculative, we believe protests have served useful purpose in publicizing Sov actions and contrasting them to Sov professions re Ger unity, etc, and that, furthermore, protests probably contributed to confinement of Sov actions within area of specious legality. On other hand, we do not believe that protests have produced any important changes in Sov tactics and timing, and it can scarcely be said that any appreciable satis has been obtained by us.

We have now, with respect to certain actions, come to point where it seems that further protests at present levels cannot be expected to prove very productive. We have, in fact, in these cases probably reached point of diminishing returns inasmuch as further protests will only serve to underscore our impotence and our inability to obtain satis. A specific case in point is MP autobahn patrols (Berlin tel 25 to Bonn July 3, rptd Dept 22 and London, Paris, Moscow unn [3]).

In conformity with decisions cited in first para above, we believe that all-inclusive identic notes from three govts might be delivered Moscow soon after July 10 note [4] unless Dept believes it undesirable to have second note follow too closely on heels of first. Our tentative view is that protest note shld seek to indict Sovs on broad charges of dividing Ger, restricting Allied right of access to Berlin, and inflicting unwarranted hardships on Berlin and Sov Zone population. In support of these charges we wld cite the many actions which have already been subj of Allied protests and such other harassments as appear worthy of mention. Despatch of note to Moscow wld not, of course, affect our present practice of promptly protesting at appropriate levels new Sov actions as they occur and wld not preclude further correspondence on other cases when considered appropriate.

Before discussing this proposal with Brit and Fr, we wld appreciate receiving Dept's views.

McCloy

---

[2] See telegram 924, Document 540.

[3] Telegram 25 transmitted the text of a letter from Chuikov to McCloy, dated July 2, which refused to cancel the Soviet restrictions on military police patrols. (762.0221/7–352)

[4] Document 124.

No. 554

762A.5/7-1552

Notes on the Fifth Meeting of the Ad Hoc Berlin Committee, July 11, 1952 [1]

TOP SECRET

PRESENT

State:
Mr. Charles E. Bohlen
Mr. Geoffrey W. Lewis
Mr. Daniel W. Montenegro

Defense:
Admiral Austin (Navy)
General Elmore (Army)
General Harris (Air Force)
Mr. Charles Noyes (Office of Secretary of Defense)

CIA:
Mr. Frank Wisner
Mr. Hugh Cunningham

General Harris reported that a detailed airlift plan should be ready next week.

General Elmore said that plans were being coordinated with the Joint Chiefs of Staff.

Mr. Bohlen inquired regarding the effect of placing EUCOM under General Ridgway's command on the JCS' request that the Berlin garrisons not be under NATO Command. General Elmore said this matter was under study.

General Elmore stated that JCS action seeking to unify the Berlin Command had been postponed until after the Secretary's visit to Berlin but would now be undertaken.

. . . . . .

Mr. Lewis reported on the status of the Berlin stockpile as of June 14, indicating that the 6-month balanced stockpile, except for industrial materials, was virtually completed, it being anticipated that the required 6-month coal level would be attained in August. He mentioned that a long cable from HICOG (Bonn's 82 of July 7, 1952 [2]) indicates that British and HICOG studies of the 12-month stockpile problem, nearly completed, are in substantial agreement, and conclusions appear to be very close to those reached in studies made independently in the Department. HICOG estimates that a

[1] Drafted by Montenegro on July 15.
[2] Not printed. (762.6/7-752)

12-month coal supply could be built up by April, 1953 if no significant Soviet interference with transportation develops.

It was stated that the Military Defense report should be ready next week. Consultations with the British and French are being prepared.

Mr. Lewis informed the Committee that a cable on general implementation of NSC 132/1, [3] contemplating bilateral and multilateral discussions, is now in preparation.

Implications of the Linse kidnapping and courses of action that should be taken in that regard were then discussed. [4]

Mr. Bohlen made reference to Berlin's cable of July 10 which interpreted the kidnapping as a Soviet effort to affect Berlin's morale, and rejected the use of local retaliation because of superior Soviet capabilities in the area, raising instead the question of possible retaliation elsewhere. [5] Mr. Bohlen pointed out that the interdepartmental committee studying economic reprisals had in a preliminary report reached rather pessimistic conclusions in respect to the availibility of means of economic retaliation on a global basis, and he added that it appeared likely that the committee's final report would not be more encouraging.

The main question, Mr. Bohlen stated, was whether a protest should be made in Moscow. He referred in this connection to Mr. McCloy's comments on the declining effectiveness of protests in Germany and recommendation that protests be made to the Kremlin. Mr. Bohlen expressed his skepticism regarding the wisdom of such a course of action, in view of the even greater disadvantages of demonstrating the ineffectiveness of protests at that level. The kidnapping incident, however, belonged he thought in a category distinct from the harassments against which protests have been lodged to date and may merit strong representations to the Kremlin. A strong protest has already been made in Berlin. It may be advisable to have the High Commissioners make the next protest. Ambassador Kennan's comments have not been received.

Mr. Wisner briefly gave Linse's background, mentioning that Linse was the economic expert in the Committee of Free Jurists, and probably second only to Friedenau, chairman of the Committee, in importance. The Committee, Mr. Wisner pointed out, carries on a very effective campaign against the Soviet and East German authorities by exposing their abuses of authority, illegal activities and misdemeanors generally, carefully documenting and effectively publicizing its findings in each case.

---

[3] Document 547.

[4] On July 8 Walter Linse had been kidnapped from West Berlin.

[5] Reference is to telegram 62 from Berlin. (762A.00/7–1052)

Mr. Wisner made the significant point that Linse's importance to the Soviets was such that his abduction could be considered justified from their point of view quite independent of their continuing campaign of harassment and intimidation. On the other hand, things tend to become fused because of public reaction. This incident has acquired great importance because of its flagrant character and the position and activities of Linse himself. It has become a test case in the eyes of the aroused Berlin population and city government. Retaliatory and defensive measures are being demanded. The impression that American authorities have been reluctant to react vigorously has already caused considerable deterioration in the Berliners' attitude toward us; failure to act now would have still more damaging consequences. Feeling in West Berlin has rarely been so strong, as the mass meeting of 25,000 in front of the City Hall demonstrated the other day.

Adding to the psychological gravity of the situation is the fact that the communists have for some time been intimating they would take action of this type, Eisler having given particular attention to this. The East German press has for some time been stressing West Berlin's use as a base for espionage activities, and particular mention has been made of the Committee of Free Jurists. There is a strong possibility that Linse's kidnapping was intended to discourage attendance at the convention of Free Jurists scheduled for this month in Berlin.

Mr. Bohlen asked what action would be considered effective. He discussed the question of level of protest. As a protest to Dengin has been made in Berlin, normally the next step would be a protest to Chuikov. Should the next be addressed to Moscow? There are the related possibilities of an approach to NATO and increased publicity. A protest made in Germany would be quicker, more clean-cut (tripartite agreement would probably be attained with greater ease), but would not have the same resonance as a protest to Moscow.

Mr. Lewis pointed out the danger that a protest to Moscow would give Chuikov "an out."

Mr. Wisner took issue with Berlin's appraisal of its own capabilities for countermeasures, stating that responsible and reliable sources there had outlined considerable local capabilities in this regard. Among these are the following:

1. Action against the 10,000 known SED members in West Berlin, including possible denial of unemployment compensation and other benefits and privileges of such individuals.
2. Sudden search and arrest of SED functionaries in West Berlin.
3. Arrest of KPD leaders in Western Germany.

4. Arrest or other measures against known East-West traders, acting in behalf of the Soviets, located in West Berlin and the Federal Republic. These people could be placed in "protective custody."
5. A protest by Bishop Weskamm of Berlin and surrounding *Land* Brandenburg (Linse is a Roman Catholic).
6. The barring of East Zone lawyers whose activities now extend into West Berlin.
7. Building up a fund for the purpose of exposing the perpetrators of acts such as Linse's kidnapping and securing information and undertaking other action which might lead to his release and the release of other victims of similar action.

Admiral Austin underlined the advisability of having a protest made at once by the High Commissioners, to be accompanied by spontaneous and stimulated demonstrations in Western Germany.

Having the High Commissioners protest, Mr. Noyes remarked, would leave another "court of higher appeal" (representations to the Kremlin). The time expended in awaiting a Soviet reply in Germany could be used to advantage in obtaining British and French agreement to send a strongly worded protest to Moscow. There is need to strike while the iron is hot.

Mr. Wisner observed that he thought that Mr. McCloy should be informed that the Germans (in West Berlin, and the Federal Republic if it is decided to undertake simultaneous operations in the latter) would raid SED (or KPD) offices and make arrests, and not the Allies. Publicity should be given with the right twist, emphasizing action as judicial and not as retaliatory. (For this reason such action as closing completely the Soviet controlled Rundfunkhaus in West Berlin and barring the activities of East Zone lawyers should be avoided). One of the most effective measures, not of a direct retaliatory character, which should be undertaken is the creation of a "liberation fund," for which an appeal could be made for international contributions.

Mr. Bohlen asked in this connection if statistics on Berlin abductions were available or could be drawn up. The CIA representatives said they would look into this matter.

Mr. Wisner went on to suggest that if it were decided to deprive SED members in West Berlin of their unemployment benefits and other payments such funds might be employed to swell the liberation fund, and to finance protective measures for others in danger of being kidnapped.

Mr. Bohlen asked if there might not be a need for tripartite approval of such measures in the Berlin Kommandatura.

Mr. Noyes stressed the importance of taking protective measures and asked whether action should be taken here to urge measures such as the issuance of automatic weapons to the Berlin police.

Mr. Lewis outlined the measures now under study and mentioned the legal and other considerations which must be taken into account.

. . . . . .

Mr. Noyes spoke in favor of using UN Committees to publicize the case.

Mr. Wisner pointed out that in using publicity we must be mindful of its possible effects in keeping people from going to the Free Jurists meeting in Berlin scheduled for this month. On balance, however, Mr. Wisner and the other members of the Committee considered that publicity should not be withheld or subdued for this reason.

Mr. Bohlen summed up the Committee's views as follows:

There is agreement on the advisability of asking Mr. McCloy to seek action by the High Commission to send a vigorous protest to Chuikov at once, with maximum publicity. While awaiting a reply discussions should be undertaken with the British and French in regard to a protest to Moscow. Meanwhile, known communists and others "implicated" in the kidnapping should be arrested in West Berlin (this would be good for the morale of Berliners and West Germans generally). . . . Mr. Bohlen added that the Voice of America was already stressing the Linse case.

Because of possible developments in the next few days, a date was not set for the next meeting. Members agreed to get in touch with one another Wednesday or Thursday to arrange for a meeting possibly late next week (July 17 or 18). [6]

Note: Berlin's cable No. 76 of July 11, [7] reported on Mr. McCloy's visit to Chuikov and the impression Mr. McCloy received that Chuikov was "extremely cordial and sincere" and would do something about Linse if it were within his power. Because of this, Bonn was not advised to make an effort to send a strong High Commission protest to Chuikov; instead, Mr. McCloy's views were requested regarding the desirability of strong representations in the light of the circumstances. (Department's No. 182 to Bonn [8]).

---

[6] The next (sixth) meeting of the *Ad Hoc* Berlin Committee was held on Aug. 1 and the Linse kidnapping was only briefly discussed. Ausland's notes on this meeting are in file 762A.5/8–452.

[7] Not printed. (762A.00/7–1152)

[8] Not printed. (762A.00/7–1552)

No. 555

662A.00/7-952: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, July 17, 1952—12:36 p.m.

253. Reurtel 107, rptd London 26, Moscow 8, Paris 32, Berlin 14. [2] Pending receipt comments from Moscow and elsewhere, Dept has fol gen reactions proposal that protest be made in Moscow against Sov harassment in Ger due lack of results from AHC and Kommandatura protests. [3]

While FonMins agreed if necessary deliver follow-up protests in Moscow intent was as we see it to obtain positive results and not merely achieve possible propaganda effect. Neither nature present harassments nor prospects achieving results appear warrant use of Moscow protest now. Linse case excluded from consideration here because of special factors involved including Berlin public opinion and morale.

Fol considerations pertinent:

1. Transmitting protest soon after note on Ger unity [4] might cancel out some of anticipated effects of note by making it appear we are attempting sabotage chances arranging four-power mtg.

2. Protest along lines suggested para 4 reftel wld duplicate similar charges in note on Ger unity.

3. Argument in para 3 reftel that failure previous notes achieve results underscores our impotence may be even more applicable to high level protest to Moscow if it fails produce results.

4. This raises fundamental question, namely whether protest shld be designed obtain solution of situation protested, or score propaganda point, or both. These objectives likely to be mutually exclusive, since need for Sov opportunity to save face wld probably require secret handling of matter if actual withdrawal of harassment sought.

5. Since present harassment relatively minor and Berlin's welfare and security apparently not immed threatened, perhaps Moscow approach shld be held in reserve for more serious situations and more drastic harassment that may develop. Such protest

---

[1] Drafted by Montenegro and cleared with Lewis, Hillenbrand, Kellermann, Riddleberger, Matthews, Barbour, Bohlen, and Jessup. Repeated to London, Paris, Moscow, and Berlin.

[2] Document 553.

[3] On July 21 the Embassy in Moscow reported that it was opposed to carrying protests to a higher level unless the United States was ready to take countermeasures. The Embassy stressed that local Soviet officials should be held strictly responsible for their actions and countermeasures should be taken accordingly. (Telegram 138 from Moscow, 662A.00/7-2152)

[4] Document 124.

wld presumably have stronger impact if coordinated with effective countermeasures. To expend such ammunition at this stage and repeatedly wld inevitably result in diminishing returns now affecting AHC and Kommandatura protests.

6. It is recalled that Roberts of Brit FonOff in Paris mtg with the Secy [5] made point we must take care that protests at governmental level do not give Chuikov opportunity thereafter to disclaim responsibility and refer HICOM and Berlin Commandants to Moscow when future protests are made.

ACHESON

[5] Presumably this is the meeting referred to in telegram 924, Document 540.

No. 556

762.0221/8-752: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, August 11, 1952—7:18 p.m.

682. While most Commie actions in SovZone since sig contractuals and EDC Treaty seem to have been designed primarily to tighten control over SovZone and separate it from West Berlin and FedRep and only secondarily for their possible effect on Berlin, we are concerned that certain recent developments related to access to Berlin may foreshadow either stepped-up harassment of Berlin communications or possibly eventually all-out blockade. We believe situation has reached pt where our interests are seriously enough threatened to warrant action along fol lines.

Essential issue now is whether we shld approach Sovs prior to any further restrictions, such as recent Rothensee closing, [2] or wait until they have been imposed before requesting alternative surface transport facilities. We are impressed by Moscow's proposal and reasoning behind it (Moscow 263 to Dept rptd info Bonn 11, Berlin 15, London 14, Paris 57 [3]). It is in accord with our basic policy, and

[1] Drafted by Ausland and cleared with Riddleberger, Bohlen, Bonbright, Matthews, and Fowler of GPA. Repeated to Berlin, Paris, London, and Moscow.

[2] The Rothensee canal lock had been closed by Soviet officials on Aug. 1 for technical repairs.

[3] Telegram 263 transmitted the outline of an approach to Soviet authorities which (a) would state concern over West Berlin, (b) indicate that past arrangements were inadequate, (c) request advance notification for interrupting traffic or communications with the city, (d) make arrangements for alternate facilities, (e) offer technical assistance to repair problems, and (f) state that further closings without adequate alternative facilities would be interpreted and regarded as an action against the military position of the Western powers. (762.0221/8-752)

we believe approach shld be made along these lines in near future. Unless you have strong reasons to contrary, you are therefore authorized discuss it with Fr and Brit HICOMs.

Re Moscow's draft, Dept prefers omit pt (f), for time being at least, and wld also prefer to begin statement with more specific reference to question of communications and without raising issue of rights. Suggest therefore that pt (b) be omitted, and fol added to pt (a): "In particular, we refer to the closing of the Rothensee shiplift on Aug 1, allegedly for technical reasons but without any indication of length of time it is intended to keep it closed, and also to statements recently made by Sov officials to Gers implying that Autobahn bridge over Elbe wld be closed in near future". Pt (c) might then begin: "We therefore believe it essential that in future we be given advance notice. . . .[4]" We believe this approach to Sovs shld be made on HICOM level, for reasons given Moscow 138 to Dept, rptd Berlin 10, Bonn 5 (being rptd London and Paris [5]), and in proppsing this approach, you might point out that suggestion originated with Kennan, since believed this may carry weight with Fr FonOff.

It might also be advisable to take any counteraction to closing of Rothensee shiplift (see below) at same time or just prior to making above approach to Sovs. However, failure to agree on gen approach shld not delay any countermeasures which we may decide advisable re Rothensee.

Our further views re current specific problems are as follows:

1. Autobahn. Re temp bridge over Elbe, our concern is based on your prediction (Bonn 482 to Dept rptd info Berlin 59 [6]) that Sovs will close in near future and fact that temp bridge reaching end of life predicted for it when constructed in 1945. We wonder, however, whether repair materials reported Bonn 482 may not be those for work on permanent bridge reported Berlin unn tel Jul 15, 9 a m? [7]

We have been considering urging tripartite approach re bridge to Sovs on technical level (even though this, or in fact gen approach discussed above, wld not accord with line taken with Reuter last spring when he was told that upkeep of communications strictly Sov responsibility (Berlin unn Feb 5, 5 pm [8])). However, on assumption that above gen approach may be made in near future, Dept believes it preferable avoid confusing issue by refraining, for time being at least, from such specific approach re Autobahn. If Brit and Fr shld not agree on gen approach or if there are other developments meanwhile re bridge, we shld of course reconsider such step, which wld *inter alia* raise several pts: whether initial representa-

---

[4] Ellipsis in the source text.
[5] See footnote 3, *supra*.
[6] Not printed. (962.0221/8–152)
[7] Not printed. (862B.2612/7–1552)
[8] Not printed. (962.50/2–552)

tions shld be limited to request for joint technical exam; whether we shld then, if such exam indicated repairs needed, offer our assistance; question of alternate route through Magdeburg; and possible alternative of proposing temp installation of pontoon bridge. Re latter, cld such bridge still permit passage of Elbe River traffic, and wld US Army be prepared to build shld Sovs agree?

2. Canals. Re Rothensee lift, if it is decided Sov action warrants reprisal, we agree that action against Commie barges in West Berlin and FedRep wld be most effective countermeasure, assuming (in case of Berlin) that by-pass canal wld not be fully operative for some time. Request more specific info re your plans in this regard, as we are not entirely clear what you have in mind. We suggest that if Sovs do not give satis within reasonable time (Berlin 260 to Bonn, rptd info Dept 233, and Bonn's 591 to Dept, rptd info Berlin 77 [9]) a final note might be sent, implying some prompt action on our part if request not granted. As suggested above, we might wish to time our countermeasures with gen approach to Sovs discussed above. Pls report meanwhile any info which you can obtain on whether Rothensee lift actually needs repairs and whether Sovs are actually repairing it.

3. Air corridor. We observe that series of written protests begun last May by Sovs re alleged violations of air corridor continue. We assume that at least one purpose of this is to build up record for any future action re corridor. We noticed that as of Jul 17 Williams had evidently not replied to Trusov ltr of Jun 21 (Berlin Jul 17 tel to Bonn rptd info Dept 117 [10]). We assume you are urging Air Force reply to these protests promptly and that you are maintaining record of protests and replies involving US planes for use in event future Sov ref to them.

4. Log transmitted Bonn D–214 Jul 24 very useful. [11] Request you transmit additions to log periodically, with copies to Moscow, London, Berlin and Paris.

ACHESON

---

[9] Neither printed. (762.0221/8–552 and 8–952)

[10] Not printed; it transmitted the text of a Soviet protest dated July 17 concerning air corridor traffic and referred to a previous protest along similar lines on June 21. (962A.526B/7–752)

[11] Not printed; it transmitted the text of a log of recent Soviet harassments in Germany. (762.00/7–2452)

No. 557

762A.5/8–1552: Telegram

The Acting Secretary of State to the Embassy in the United Kingdom [1]

TOP SECRET WASHINGTON, August 15, 1952—5:29 p.m.

1099. US eyes only. NSC 132/1 [2] already pouched to addressee posts determines US policy in broad fields including polit, mil and econ and sets forth action to be taken in various situations which may develop in Berlin. NSC 132/1 is for US eyes only and pending further instr this subj shld not be discussed with reps fon govts.

Dept considering approaches to other govts as prescribed in NSC paper. Wld appreciate urgently your recommendations on timing, scope and method of such approaches.

Our tentative view is that bilateral discussions at high level shld be initiated with Brit, Fr and subsequently Gers on Berlin problem in most gen terms without consideration specific courses of action. Allies wld be apprised we have had matter under study at highest level and will shortly propose more detailed joint discussions of specific courses of action. Stage wld then be set for joint consultation re courses of action which NSC paper indicates shld be given earliest attention, including in first instance econ countermeasures. Dept and other agencies here completing studies on countermeasures in trade, finan, transport and related fields and will shortly pouch agreed report for your comment and recommendations.

Your views requested as to most advisable approach on econ reprisals. Wld it be best from your viewpoint to have bilateral or quadripartite discussions this subj? Shld bilateral talks precede multilateral talks? Dept favors quadripartite discussions, preceded perhaps by bilateral talks.

Our tentative view is that mil measures incl planning called for by NSC 132/1 which require joint action and which lend themselves to Allied discussion at this stage shld be handled initially as joint mil planning by three occupying powers. Discussions with Gers this subj we believe shld be deferred pending ratification of contractuals and EDC. It is also our tentative view that certain aspects of polit action to implement NSC paper shld be held initially with Brit and Fr and later with Gers when appropriate; other aspects shld be discussed earlier with Gers.

---

[1] Drafted by Williamson, Wolf, and Montenegro and cleared by Perkins, Riddleberger, Bohlen, Matthews, and E. Also sent to Paris and Bonn for action, and repeated to Moscow for information.

[2] Document 547.

Best means to secure agreement and effective implementation of several courses of action requiring joint efforts at this stage will be determined in light your recommendations. [3]

BRUCE

[3] On Aug. 20 and 22, the Embassies in London and Paris replied. London reported that "much missionary work with UK will be necessary to secure agreement on proposals for action anywhere near as specific and drastic as that suggested in NSC 132/1." (Telegram 976 from London, 762A.5/8–2052) Paris believed that although there was considerable sympathy for the Berlin problem, the French Foreign Ministry would not be very receptive to the far reaching program envisioned in NSC 132/1. (Telegram 1170 from Paris, 762A.5/8–2252) For Bonn's reaction, see telegram 756, *infra*.

No. 558

762.0221/8–2052: Telegram

The United States High Commissioner for Germany (Donnelly) to the Department of State [1]

TOP SECRET BONN, August 20, 1952—8 p.m.

756. US eyes only. Ref: (a) urtel 748 August 15, London 1099, Paris 890, Moscow 152; (b) urtel 682 August 12 [*11*], Moscow 140, Paris 803, London 974, Berlin 68; (c) ourtel sent Dept 717 August 18, Berlin 97, Moscow 28, Paris 179, London 133. [2]

We believe your plan ref a divides itself in three parts requiring different handling: (1) Economic sanctions in Germany; (2) Economic sanctions outside Germany; (3) Military planning.

All three items subject to two basic considerations. First, although individual British and French realize logic of situation, their domestic political situation and fear of further provocation to and more dangerous involvement with Soviets may induce resistance to development such plans as required by NSC 132/1, [3] increasing in degree from items (1) to (2) to (3).

. . . . . .

Within these two general qualifications we see no need limit discussion item (1) economic sanctions in Germany, to general terms without considering specific action. Under ref b we have already

[1] Repeated to London, Paris, Moscow, and Berlin.

[2] Reference a, *supra*. Reference b is Document 556. Reference c provided a survey of actions that might be taken in response to Soviet actions, but stated that these actions had not yet affected adversely the West Berlin economy, and that it might be better to wait for more proof of the Soviet program to isolate Berlin. (762.0221/8–1852)

[3] Document 547.

made general approach to British and French and expect this to lead naturally into discussion specific steps. Certainly such discussion should recognize potential future developments, as we pointed out ref c. But this need not delay current examination possible sanctions, although decision on actual use may await development items (2) and (3) unless Soviets force quick action. Discussions under (1) should continue tripartite as they started, since tripartite agreement clearly needed (many of countermeasures lie British Zone or Sector), and until British and French agree bring Germans in. Discussion should take place in Bonn with ultimate approval in three capitals.

As to item (2), economic sanctions outside Germany, you will of course seek measures which can be implemented by US, Britain or France alone. Many, however, will be effective only if other countries, e.g., all COCOM, join. . . . Hence present approach to British-French should be only general until Washington has specific list of possible measures which take account foregoing. Bipartite approach more effective, so each will not encourage others doubt, although each should be told we are opening subject with other.

As to item (3), military planning, may find extreme British-French hesitancy for reasons set forth in second para. We think for same reasons set forth in preceding paragraph present approach should be most general until specific proposals have been developed in Washington and should be bipartite.

We shall give further consideration to problem bringing Germans in because we consider failure to do so is serious weakness in planning and prospectively in implementation, but as of today, even if we discussed informally with e.g., Chancellor and Heussinger, we could not feel sure of security although leaks would not come directly from them.

In connection with your proposed study in Washington, we can contribute little except on item (1) and question whether you do not already have such raw material as we can give. Do you want anything more at present? E.g., comments such as paragraphs 6 on airlift and 9 on East-West trade agreement ref (c). As indicated ref (c) our own guess is most likely Soviet course will not be outright blockade but will be series of measures, each with specious justification, probably concurrent in time, and effectively choking Berlin. There will, however, be no dramatic point at which we can say "this is it". Part of problem therefore is to agree with others concerned how to identify crucial point, and equally to find effective measures and persuade Allies to agree to them which will avoid ever reaching this crucial point.

We think also NSC 132/1/paragraph (3) has one omission, i.e. harassments are likely to be directed at weakening EDC and West

integration and if possible at blocking ratifications by one or more parliaments. They may take form of terror or of bait.

Copy this message sent General Mathewson so he may comment directly.

DONNELLY

No. 559

762A.0221/8-2252: Telegram

The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, August 22, 1952—7:50 p.m.

870. 1. Dept appreciates thoughtful analysis and constructive suggestions contained Bonn's 712, rptd info Berlin 96, Moscow 27, Paris 177, London 131, and Bonn's 717; rptd info Berlin 91, Moscow 28, Paris 179, London 233; and Berlin's msgs transmitted in Bonn's 723, rptd info Moscow 29 and Bonn's 724, rptd info Moscow 30. Have also carefully studied Bonn's 756, rptd info London 138, Paris 186, Moscow 34, Berlin 101 and London's 976, rptd info Paris 249, Moscow 41, Bonn 166, which bear directly on problem in its widest aspects. [2] Note from Bonn's reports favorable initial reaction of Brit and Fr HICOMers to suggested gen approach to Sovs re Berlin communications. Dept anxious press forward soonest possible with this gen approach. If Brit and Fr HICOMers have already sent recommendations to their govts, request London and Paris to discuss with FonOffs and seek favorable speedy response.

2. Dept in gen agreement with HICOG's views. Desire point out, however, that in urging counter measures now to closing Rothensee and Sov failures provide alternative transportation facilities (para 2 Bonn's 717) we are not motivated by degree to which Berlin econ may be suffering. We urge counter measures because:

(a) Sov action threatens rapid attainment of staggered stockpile goal and

(b) If we do not react we fear Sovs will apply fresh measure at another point of transportation network. We agree with Moscow that determination to act shld not be particularly related to effects of any specific Sov act. Rather we shld decide at what point Sov

---

[1] Drafted by Morris and Laukhuff and cleared in draft with Bohlen, Matthews, Riddleberger, E, EUR, UNP, and S/P. Repeated to Berlin, Paris, London, and Moscow.

[2] Telegrams 712, 723, and 724 are not printed. (762.0221/8-1852 and 8-1952) Telegram 717 is summarized in footnote 2, *supra*. Telegram 976 is summarized in footnote 3, Document 557.

pattern of actions poses serious ultimate threat and at that point we shld set in motion planned measures to seek check entire Sov pattern. We believe that unless Rothensee situation is cleared up very shortly, that point for us has been reached. Unquestionably we must most speedily develop comprehensive plan for counter measures in and out of Ger. Interdepartmental Comite has been working here on such plan for some weeks. Results to date indicate impracticability of unilateral US action, and suggest that, to be at all effective, program must embrace not only Brit, Fr and FedRep, but nr other powers, attainment of which will certainly not be easy. Fear in fact our possibilities this connection likely in practice prove not as great as has been generally supposed. At same time, we will get farther faster when we in position to talk specifics, facts and figures. We will push for completion Wash study and hold off approach to Brit, Fr and Gers until fully prepared. Meanwhile, believe it inadvisable to defer partial and local counter measures in Rothensee case. Last para London's 976 significant this connection. [3]

3. Putting together various suggestions and comments made, Dept believes we must aim at fairly long range plan of successive steps which cld be taken if circumstances so dictate. We agree with Brit FonOff that no precise plan can or shld be developed to be rigidly put into effect regardless of circumstances. To a certain extent things must be "played by ear". Nevertheless, we believe our position and our capabilities for action will be immensely improved if we have some idea of steps which can successively be taken provided Sovs do in fact continue and develop broad program of interference and respond negatively to our various approaches.

4. For these reasons we are thinking in terms of fol possibilities:

(a) As first step we wld make gen approach suggested by Moscow and outlined in Deptel to Bonn 682 (rptd Berlin 68, Moscow 140, Paris 803, London 974 [4]). Development of this approach will doubtless take several weeks, and meanwhile if there is still no indication of restoration of Rothensee lock to service or offer of alternate facilities, local counter measures wld be taken in Berlin and West Ger against Commie barge traffic. Such measures, preceding or concurrent with gen approach, wld emphasize point we wld be making. Suggest gen approach might well be made by three Western HICOMs in personal visit to Chuikov, in order both to emphasize presentation and give opportunity try and sound Sovs out re such matters as status of Rothensee and other outstanding points bearing on Berlin.

---

[3] In this paragraph the Embassy in London reported that the British Deputy Under Secretary of State in charge of German Affairs seriously questioned the wisdom of attempting to predetermine policy in a situation where there were so many variables. He said further that he would like to play it by ear as the situation developed. (762A.5/8–2052)

[4] Document 556.

(b) Probabilities are that Sovs wld reject or ignore gen approach. In this case, especially if creeping blockade measures by then further advanced, Dept wld favor proceeding with fresh approach, possibly in Moscow. In this connection, we are considering Berlin's suggestion, i.e., demand for land corridor to Berlin under Western control. This wld obviously be serious move, as such corridor wld establish extraterritorial rights through SovZone. Hence most unlikely Sovs wld grant request. Demand wld therefore be made mainly as psychological move. Point has been made here that Sov refusal of such demand wld weaken rather than strengthen Ger morale and confidence in West. Wld appreciate HICOG's views on this, as well as Moscow's on idea as whole. (Recallable that Reuter has in past suggested such corridor.)

(c) Subsequent to exploitation of demand for corridor or in connection with same, might carry whole Berlin issue to UN. This move, like move (b) wld also depend re use, timing and precise handling upon development of degree and pattern of Sov harassment.

(d) Concurrently with foregoing moves or possibly fol them, but depending entirely upon existing circumstances, there shld be instituted a progressive series of counter measures, extending if necessary beyond Ger. These wld be aimed at relieving pressure on Berlin, rather than trying force Sovs to grant land corridor.

5. To summarize, Dept favors as immediate measures gen approach already described plus local barge traffic counter measures. At same time Dept desires work out for possible use depending on circumstances some coordinated long term plan of action such as described in preceding para. Pls proceed to push immediate measures and all addressees comment on additional proposals. Discussion of latter shld for time being remain on US eyes only basis.

BRUCE

No. 560

762.0221/8-2952: Telegram

The United States High Commissioner for Germany (Donnelly) to the Department of State [1]

SECRET BONN, August 29, 1952—8 p.m.

914. I confess to considerable confusion as to our strategy with respect to Berlin. In attempting to clarify the sitn, I will first enumerate different courses of action which have been recommended.

It has been variously suggested that we:

1. Protest to Chuikov on closure of Rothensee shiplift.

---

[1] Repeated to Moscow, Berlin, and Paris.

2. Request Sov agmnt to system of prior consultation, and provision of alternate means of access, in event any line of communication to Berlin must be temporarily closed.
3. Seize and/or slow down Sov controlled barges in W Berlin and W Ger.
4. Propose to Sovs creation of Polish type corridor from Berlin to W Zones.
5. Submit problem to UN or World Court.
6. Impress our intentions upon Chuikov by personal *démarche* of three HICOMs.

My first reservation on these proposals is that I detect no planned order concerning our capabilities for, and operation of these moves. Secondly, we have no great confidence in efficacy of these measures, either individually or collectively (e.g., we share Berlin's apprehension that seizure of East Zone barges might precipitate countermeasures disproportionately painful to us).

Our main difficulty now with respect to Berlin policy is lack of a full inventory of countermeasures. We have previously stated our opinion that measures we have in Ger are meager, and probably largely ineffective. (See ourtel 22, July 2 and Desp 3300, June 10 which we are now re-examining. [2]) We must also determine what resources we have outside Ger. Our info is that Dept's exam of these is not yet completed.

Once we possess a full inventory of our retaliatory measures, we must turn to next problem, namely, degree of support for carrying them out which we can secure from non-Sov world. We are not sanguine on this score. . . . On broader issues being examined in Wash we are little more hopeful.

I do not believe we shld launch counteraction, beyond protest, until we have full assessment of our ammo and support. Particularly do I believe this because, while we cannot afford to be complacent, I see no signs of Berlin crisis being directly upon us.

I am reinforced in this view by a personal report from Gen Mathewson in which he stated that despite an active rumor campaign toward the end of July none of the threats materialized; that while there are indications the Sovs intend to split Berlin, it has not taken place, largely because of harm it wld bring E. Berlin and obstacles to making it effective; that city is still able cope with influx of refugees; that thousands had visited W Berlin from the Sov Zone for Katholikentag, in spite of many reports they wld be prevented from traveling; that econ activity in city, and flow of goods in and out of Berlin, are normal; and finally that there is no feeling of alarm in Berlin, though of course full awareness that sitn might deteriorate at any time.

---

[2] Neither printed. (462B.62A9/7-252 and 6-1052)

Since an immed crisis does not exist it follows that we still have time—altho this may be limited—in which to make coherent preparations for mtg threat to Berlin. I therefore intend to withdraw my proposal to allied HICOMs that we request prior consultation on transport stoppages, and await receipt of the Wash survey of countermeasure. With this in hand, I suggest that we try to prepare as orderly a plan of counteractions as changing sitn requires and permits.

DONNELLY

No. 561

762.0221/8–2952: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET PRIORITY WASHINGTON, September 3, 1952—6:39 p.m.

1031. Re Bonn's 914 rptd Moscow 45 Berlin 128 Paris 237. [2] Dept can well understand certain amount of confusion produced by numerous recent tels from here and elsewhere re Berlin access and ways for us meet problem. We had hoped ourtel 870 to Bonn rptd Berlin 104 London 1291 Paris 1057 Moscow 182 [3] wld help clear up confusion by outlining detailed plan of action which while necessarily sketchy re longer-range moves wld at least provide logical sequence based both on success or failure of prelim steps and extent to which Sovs meanwhile further tighten screws on Berlin.

Seems clear from reftel present differences between our thinking result mainly from differing evaluations as to when Berlin issue poses potentially serious threat and from your lack of info re comprehensive study of countermeasures which has been going on here.

As pointed out para 2 ourtel 870 we do not regard Rothensee situation as posing such threat because of impact on Berlin's economy and morale, but because it impairs our ability achieve staggered stockpile and because Sovs may now be tempted, in face our limited protests not backed up by any action, to apply further blocks on Berlin's communications. We fear such may be case irrespective of points made penult para urtel 914, but rather on account of analysis similar that contained your excellent tel 717 rptd Berlin 91

---

[1] Drafted by Morris and cleared in draft with Riddleberger and Williamson. Repeated to Berlin, Moscow, London, and Paris.

[2] *Supra.*

[3] Document 559.

Moscow 28 Paris 179 London 233 [4] and our belief that, with exchange of notes re Ger unity getting nowhere, Sovs probably increasingly inclined step up harassment of Berlin. Fact that Sov Zone brown coal now reaching West Berlin constitutes extra gravy for economy and stockpile does not alter this analysis.

As also noted ourtel 870 study of comprehensive countermeasures will not yield practical results in terms of Allied decisions for many months, and we think it wld be most unwise defer further action on our part meanwhile solely for this reason. Study being prepared here does not include measures confined to Ger, and possible steps it covers are clearly of type which our allies wld not accept until Berlin communications gravely threatened, such as by quasi or full blockade. We fear therefore you are perhaps counting too much on this side of picture at least in terms of immed future. Shld be noted this connection that our allies in fact agreed to program of limited (i.e. to Ger) countermeasures both at time of full blockade and also since then to meet periodic Sov harassments, without first requiring study of and agrmt on comprehensive global program.

Though countermeasures confined to Ger admittedly limited and hence of questionable efficacy, we believe past record speaks for itself. In particular, we have not refrained from such steps before out of fear they might precipitate further Sov interferences. As Dept recalls it, last action we took re Rothensee was technical level protest delivered Aug 9 demanding additional train paths by Aug 12. Dept wld certainly hope, despite considerations advanced Berlin's 281 rptd Bonn 314 [5] and similar analyses, that we are ingenious enough devise some practical way of hampering Commie barge traffic. Unless we can agree on some such countermeasure in near future, we fear Sovs likely decide that west unprepared back up words by action and, as suggested above, try further harassments.

Dept gathered from urtel 717 that Brit and Fr HICOMers had reacted favorably your suggestion of gen approach (i.e. point 2 of suggestions given urtel 914) . . . . Dept continues believe this idea shld be pushed strongly, and that Sov failure give any satis re Rothensee presents favorable opportunity, particularly if accompanied or preceded by local countermeasures as suggested above. Action to withdraw proposal wld seriously prejudice possibility of getting Brit and Fr agrmt and thus be tactically unwise.

---

[4] See footnote 2, Document 558.

[5] Telegram 314 reported on the technical problems involved in hampering Soviet barge traffic. (762.0221/8–1552)

On realistic basis, suggest also we shld not lose sight of probability that whatever US Govt and HICOG try to do re Berlin communications is likely get watered down considerably as result necessity obtaining tripartite positions and actions. For this reason, consider it important for us to proceed as vigorously as possible with hope of ending up with some progress forward. If we start out on negative and defeatist basis, we will not get far.

For above reasons Dept therefore requests you study problem further and especially contents ourtel 870, which resulted from serious consideration here. Still feel it important to push proposed immed measures (Rothensee countermeasures and gen approach) while awaiting your comments and those of other addressees on additional suggestions.

ACHESON

No. 562

762.0221/9-952: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, September 9, 1952—11 p.m.

472. From Donnelly. As previously arranged, I made my initial call on Gen. Chuikov this afternoon. In addition to General, there were present Sov Deputy Chairman Semichastnov and Amb Semenov.

After usual preliminary courtesies, I referred to Chuikov's latest communication in which he had disclaimed any knowledge of Dr. Linse's presence in Sov Zone and of any facts surrounding kidnapping. I pointed out that it was difficult for me to believe that in view of responsibilities and control exercised in Sov Zone that nothing more concrete than what was alleged in his letter cld be ascertained. Both Chuikov and Semenov reverted to their earlier arguments that as kidnapping had taken place in Amer sector, it was difficult for them to ascertain any facts. Semenov endeavored to turn argument by introducing question of presence in East Ger of espionage and sabotage groups from Western Ger pointing out that recent trials by Peoples Courts in Sov Zone of Ger had clearly demonstrated that such groups as free jurists organization and organization against inhumanity had deliberately furnished provocateurs and saboteurs to upset regime in East Ger. When I asked whether

[1] Repeated to Moscow and Washington; the source text is the copy in Department of State files.

this matter had been brought up in connection with Dr. Linse or whether he implied Dr. Linse was connected with them, he immed denied any such connection. I stressed the fact that US Govt was interested in this case not only because of its humane aspect, but also because kidnapping had taken place in our sector of Berlin and that the US Govt intended to press the matter until Dr. Linse was released. In conclusion, I suggested that joint inquiry be made to investigate all of the facts in order to facilitate release of Dr. Linse. With some reluctance and despite Semenov's obvious reluctance Chuikov agreed to joint inquiry suggesting that in first instance it be conducted by the respective chiefs of protocol. (I have given instructions to initiate this tomorrow.)

I then reverted to unnecessarily long delays which have been experienced by trucks at Helmstedt checkpoint as an instance of one of the harassments which might be eliminated. Chuikov seemed to attach some significance to fact that their investigations showed a heavy flow of traffic at night.

Semenov introduced subject of US restricted list claiming that under pretext they wld contribute to mil potential of Sov Union we had blocked numerous items for import to Sov Zone, thus interfering with legitimate exchange of goods. I replied that if Sovs were implying that we were not living up to New York–Paris agreement [2] they were in the wrong. Semenov promised to send me further details on this point.

I next said that to continue with my education about Sov harassments I shld like to query Chuikov as to reasons why US mil personnel had been interfered with when they were proceeding down the Autobahn to the US checkpoint at Dreilinden (ref Berlin's to Bonn 464, rptd Dept 405, Heidelberg for Williams 24 [3]). Chuikov expressed some surprise over this matter, indicating that there must have been some mistake and that he wld have it immed investigated. (Despite his promise to do so the relief patrol was turned back at 6 p. m. this evening on the Autobahn and forced to make a detour to the checkpoint.)

Chuikov then took up his own alleged grievances (see Berlin's to Bonn 470, rptd Dept 412, pouched Moscow [4]). In conclusion, Chui-

---

[2] The reference here has not been identified further, although Donnelly may be referring to the May 4, 1949, New York agreement (*Foreign Relations*, 1949, vol. III, p. 750) and the Paris communiqué, June 20, 1949 (*ibid.*, p. 1062).

[3] Not printed. (762.0221/9-952)

[4] Telegram 470 reported that Chuikov had complained about restrictions on members of the Soviet mission at Frankfurt. Donnelly had replied that U.S. officers had been restricted in their movements in the Eastern Zone and it was agreed that both sets of restrictions should be dropped. (762.0221/9-952)

kov stressed importance of more regular mtgs to discuss such problems and I agreed to make this effort.

The atmosphere of the mtg was relatively cordial, and it wld seem worthwhile to follow up on Chuikov's suggestion for more regular mtgs in order to test him out, although I am skeptical as to how productive they will be.

Chuikov returned my call by attending in company with Semenov, General Mathewson's large reception for me this evening. [5]

LYON

[5] In addition to the meeting with Chuikov and the reception, Donnelly held a press conference on Sept. 9 and a luncheon on Sept. 10 during his stay in Berlin. These two events were described in telegrams 413 and 424 from Berlin, Sept. 9 and 10. (762.0221/9–952 and 9–1052)

No. 563

762.0221/9–1752: Telegram

The United States High Commissioner for Germany (Donnelly) to the Department of State [1]

SECRET BONN, September 17, 1952—2 p.m.

1198. I feel that as result of (1) position which I took while in Berlin [2] and (2) Sov lifting of harassments affecting Dreilinden, [3] time for new decision is upon us. So that Dept fully understands what I mean it will be necessary to recapitulate a bit.

Our view re Berlin crisis was set forth in our 914 to Dept Aug 29 (rptd 45 Moscow, 128 Berlin, 237 Paris, 167 London [4]). In short it was that, given our local vulnerability and our inferiority in local retaliatory powers, we shld tread softly re Berlin until we had an assessment of total weapons and reserves at our disposal.

In its 1031, Sept 3, to us rptd 131 Berlin, 239 Moscow, 1239 Paris, 1540 London [5] Dept rejected our suggestion and in short asked that we proceed with retaliatory measures while awaiting a survey of capabilities.

Accordingly I adopted a vigorous course during my visit to Berlin. Except for my Autobahn drive to and from Dreilinden check point, this vigor found expression, of necessity, in talk. Whether statements I made and my showing of flag on two miles of

[1] Repeated to Berlin, Moscow, Paris, and London.
[2] Regarding Donnelly's visit to Berlin, see telegram 472, *supra*.
[3] On Sept. 11 Soviet harassments affecting Dreilinden ceased.
[4] Document 560.
[5] Document 561.

Autobahn caused Chuikov to lift harassment I do not know. Sov decision may have been wholly unrelated to anything I did in Berlin. Fact remains however that Dreilinden stretch is now open—for how long we do not know—and that press associated this turn of events with my actions in Berlin.

Question now is: do we accept *status quo*, or do we press for further rectification of Berlin situation. If we do not ask this question of ourselves, Sovs presumably have it much in mind. I suspect Chuikov and his superiors are watching what we do or do not do in next few days with keen interest, feeling that this short space of time will show whether we will be satis with crumb of comfort which they have yielded to us or whether position which I took in Berlin was seriously intended and will have solid support.

I believe that we shld act within next few days to maintain initiative and seek rectification of other grievances.

By this I mean to follow Dept's injunction to do more than simply protest, altho I am as matter of course protesting every provocation.

As to what action we can take, I went over matter exhaustively with Mathewson while in Berlin and have been pursuing it since return. Two most likely countermeasures within our own territory in Berlin are seizure of Sov barges and imposing obstacles in access to Rundfunkhaus in Brit sector. Even these seem to me ineffectual.

Strongest case we have, in my opinion, is MP patrols on Autobahn. As indicated in our 1003 to Dept (135 Berlin, 53 Moscow, 264 Paris, 180 London [6]) high-handed Sov action in stopping these patrols is a direct affront to our mil, its prestige and its freedom of movement on a primary communications channel with Berlin. As such it impinges upon vital principle of unrestricted US mil access to Berlin and from Berlin to zone. I believe therefore that this particular harassment, altho seemingly trivial, is in its implications more important to American Govt than other irritations affecting West Berliners. If we cannot maintain our own prestige and respond promptly and vigorously to even slightest infringement of rights on Autobahn Sovs will have begun eat away at very basis of our position in Berlin.

I therefore recommend that we seek re-establish patrols on Autobahn as next step in retaliatory measures demanded by Dept. It seems to me essential in doing this that we shift issue away from frivolous considerations introduced by Chuikov re nature of MP organization and legal rights to patrol and come to rest on firmest issue available to us in whole Berlin problem—that of access.

---

[6] Not printed. (762.0221/9–552)

As I read Deptel 1168 (Berlin 7, London 1767, Paris 1423, Moscow 280) [7] Dept is in substantive accord with me on this score. However, it does not raise question of what we do should Sovs bar passage to MP patrols without arm bands and other distinguishing insignia and traveling in ordinary jeeps. Thinking ahead on this proposal, it seems to me that our course shld be along the following general lines—provided Mathewson, Heidelberg and Pentagon go along with broad concept.

We maintain right of MP patrol on Autobahn. However, if Sovs will not accept that, they will have choice of an alternative: a regular mil unit exercising our right of access, but incidentally performing Autobahn courtesy functions. Need for this latter was highlighted by Babb case. [8]

. . . . . .

I have traced this course through to most pessimistic end. However, it is my belief that Sovs will back down at an early stage if we are cool and determined. We shld of course give Sovs clear intimation when we embark on such a course that we mean business. Problem naturally arises of Fr and Brit reaction to this. I am not sure that they wld be willing to go along with such a course of action. If Dept agrees with me, then it is perhaps best that we do not submit them to strain of facing up to Sovs and that we proceed about this business on our own. I see little hope of dealing effectively with Sovs if at every turn we are hamstrung by our allies. [9]

DONNELLY

---

[7] Not printed. (762.0221/9-552)

[8] On Sept. 8 Elmer Babb, who was driving a truck carrying X-ray equipment to Berlin, ran into a ditch on the Autobahn and was detained for 3 days by Soviet officials.

[9] On Sept. 18 Kennan cabled his strong support for the position taken by Donnelly in this telegram. (Telegram 516 from Moscow, 962.50/9-1852) On the same day however, Gifford stated his serious doubt about the wisdom of proceeding unilaterally in Berlin. (Telegram 1595 from London, 662.001/9-1952) In view of this disagreement the Department of State cabled the Embassy in London on Sept. 19, asking that Donnelly, Kennan, Dunn, Gifford, Perkins, and Morris who would all be in London for the Chiefs of Mission meeting, Sept. 24–26, discuss the problem and try to arrive at a joint view. (Telegram 2008, 662.001/9-1852)

No. 564

762A.00/1-953

Memorandum of Conversation, by the Deputy Director of the Berlin Element, HICOG (Maynard) [1]

CONFIDENTIAL [BERLIN, undated.]

Present: Mayor Reuter, Mr. Reber, Mr. Debevoise, Mr. Maynard

1. The Mayor raised three points in the economic field. He stated that he believed Berlin could absorb more capital investment than it had during the current year and that he hoped that MSA would be able to make larger amounts of investment capital available. He pointed out that these amounts were loans and the Berlin firms had a very good record of re-payment. His second point was to stress the desirability of streamlining and simplifying the procedure for the approval of loans to firms so that the capital available could be put into circulation more rapidly. His third point was concerned with the work relief program which he felt must be re-examined. He anticipated that he could secure some funds from the Federal Republic for this program but felt it might be necessary to request additional sums from us. With people out of work for so many years the current size of this program should be increased until it reaches perhaps the figure of a year ago.

Mr. Maynard replied that the Mayor could be assured that the first two points he raised were near solution; that it was fully anticipated that more counterpart funds would be released for Berlin investment during the coming year than during the past year, and that Mehlem was working with the Federal Government on streamlining procedures necessary in granting these loans. Mr. Maynard further stated that he knew that Mehlem was concerned with the work relief program and would certainly seriously examine and give sympathetic consideration to any proposal that the Mayor might wish to make.

2. Mayor Reuter then turned to the refugee problem and stated that he felt it was not impossible that 300,000 refugees might arrive in Berlin during the next year. He did not suggest this figure as a firm estimate but stressed the point that it was an outside figure which he must be prepared to handle. He felt this may be one of Berlin's most serious problems during the coming year.

---

[1] This meeting took place at the U.S. High Commissioner's residence at Berlin on Dec. 30, 1952. The source text was transmitted as enclosure 1 to despatch 562 from Berlin, Jan. 9, 1953. A second enclosure was a memorandum of Reber's conversation on Dec. 31 with Suhr and the chairmen of the three main political parties in Berlin, dealing with a constitutional court and security in Berlin.

He suggested that refugees should be flown directly to the West after the preliminary security screening had been made in Berlin. The Mayor stressed that this problem was not one basically of finances but of space and Berlin morale; Berlin lacked the actual space for many additional large refugee centers. Such a large number of refugees affected the entire population of Berlin, and it might be necessary to re-examine the treatment of "unrecognized" refugees. He had talked with various Ministers in Bonn about the matter but he was not sure that they realized its seriousness and that they had been slow to act. He further stated that at the moment at least there was no actual transportation problem although certainly one would arise if any such number as envisioned actually did arrive.

Mr. Reber replied that he saw the serious implications of such a large refugee influx and would see the Federal Chancellor personally on this matter. He informed the Mayor that he was inspecting a refugee camp on New Year's day.

3. The Mayor then raised the problem of arming of the German police at Sector/Zonal boundaries. He stated that the whole population of Berlin had a feeling there was something lacking in their protection and it was extremely important to take some action to smooth down the psychological reaction of the people of Berlin to the recent incident in Frohnau. [2] Various technicalities were then discussed. Mr. Reber pointed out that the German police were now equally armed with the Vopos and that it might not be heavier arming of the West Berlin police that would solve the problem. The question should be thoroughly reviewed from point of view of the technicians and that the answer might be that a different type of vehicle should be used by the Berlin police or that it might be more rapid communications or again it might be a question of more Allied patrols or a different system or dispersion of the Allied Military patrols now operating. [3]

The Mayor then digressed saying that the matter would be more simple if a single Commandant had overall responsibility in Berlin but that he fully realized that for the time being this was impossible.

Mr. Reber stressed that he fully understood the seriousness of the situation and would recommend that immediate discussion be

---

[2] Presumably a reference to the shooting of a West Berlin policeman in the French Sector by Soviet soldiers at the end of December.

[3] The question of arming Berlin police was discussed further by Reuter with the Western Commandants on Jan. 2, 1953. The Commandants told Reuter that they were unable to agree to arming the police with automatic weapons which they believed would only lead to more gun battles and raise tension in the city. (Telegram 989 from Berlin, Jan. 3, 762A.00/1–353)

undertaken between the three Allied public safety experts and the German Police President to make specific recommendations. Mr. Reber stated that he would discuss this matter with General Mathewson before leaving Berlin.

No. 565

762.0221/1–1653: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Department of State [1]

SECRET PRIORITY BERLIN, January 16, 1953—8 p.m.

1057. From Reber. Today's meeting with Chuikov who was accompanied by Soviet Deputy Political Advisor dealt only with local problems. [2] I opened the conversation by raising the matter of recent Soviet interference with access to Autobahn of US Army wrecking cars. [3] After short talk, General Chuikov promised to issue necessary orders stopping interference with our wrecking cars adding that he "had absolutely no" objection to the presence of our wreckers on the Autobahn for the purpose of aiding US motorists. He further gave assurance that there would be no interference with normal Allied traffic on the Autobahn. I then pressed him for the lifting of ban of US military police patrols pointing out that the regular patrol on the Autobahn would be most satisfactory method of rendering help to Americans driving to and from Berlin. He objected to this, however, in principle giving as his reason that the 1945 agreement gave Soviets responsibility for administration and control of Helmstedt–Berlin highway. He said he could not see why military police whose duty is to "police" were charged with technical functions which could better be performed by the wrecking service against which he had nothing in principle.

I then protested recent restrictions against free movement between west and east sectors of Berlin stating that in addition to a number of streets recently closed between the sectors it was reported this morning West Berlin trolley cars have been banned from

---

[1] Repeated to Bonn, Moscow, and Heidelberg.

[2] On Jan. 12 Reber had reported that in response to an approach by him General Chuikov had proposed a meeting in Berlin, which was now scheduled for Jan. 16. (Telegram 3181 from Bonn, Jan. 12, 762.0221/1–1253) Reber was advised by the Department of State the following day, in agreement with his appreciation, to raise only local issues and report anything of political nature without comment. (Telegram 3447 to Bonn, 762.0221/1–1253)

[3] Soviet officials had stopped U.S. Army wreckers from assisting motorists on the autobahn beginning Oct. 18, 1952. By the end of January access for the wreckers had been restored.

the east sector and trolley cars from the west have been detained in the east sector. Chuikov expressed utter "amazement", promised to investigate immediately. Chuikov also agreed with me that he too would prefer to see a more normal state of affairs in Berlin but blamed West Berlin for taking initiative in inaugurating custom checks. As to the number of the blocked streets, Chuikov dismissed that as rather immaterial since there must be at least 100 streets still open to the traffic between the west and east sectors.

Chuikov also requested West Berlin police cease their interference with the operations of the S-Bahn, quoting the death of an S-Bahn worker caused by the beating he received from the West Berlin police. I replied that West Berlin police do not interfere with the legitimate operation of the S-Bahn and recalled that they are charged with the responsibility of preventing any illegal activity.

I expressed satisfaction over the nearing solution of the Kulikov case and the case of privates Night and Michalowski as indicated by Chuikov's letter to General Eddy. [4] At this point a long discussion developed concerning the facts surrounding Kulikov's case with Chuikov stubbornly maintaining the Soviet position that: (1) Kulikov had strayed by accident into the American sector, (2) was detained against his will and (3) his note asking for political asylum was faked. I contended that this entire futile argument can be and should be easily resolved by a personal interview with Kulikov and said there seemed to be some misunderstanding concerning the meeting of the Soviet representatives with Kulikov, since General Chuikov may send any military representative to the zone to interview Kulikov and this interview was not restricted to the members of the Soviet military mission in Frankfort. I replied to Chuikov's reiterated demand to have the interview in Berlin by indicating that Kulikov was now a free man who did not wish to return to Berlin and whom we could not very well compel to come back here, especially since he is willing to meet with the Soviet military representatives in the zone. I added that we would of course be happy to make the necessary arrangements to transport the Soviet representative to the place of meeting. I also pointed out we were not seeking to impose any conditions on place of interview with Night and Michalowski. At this point Chuikov stated ominously that Night and Michalowski have requested political asylum in the GDR, that he Chuikov would ask the GDR to arrange for

[4] Kulikov, a Soviet soldier, had defected to the West on Nov. 28; Night and Michalowski, two U. S. MPs, had been arrested in the Soviet Zone on Nov. 26. A copy of Chuikov's letter to Eddy, dated Jan. 3, demanding the return of Kulikov, was transmitted in telegram 1004 from Berlin, Jan. 6. (761.551/1–653)

such a meeting, but on the other hand maybe those two men would not care to see an American representative.

I expressed hope that in future both parties could agree to make arrangements for interviewing such individuals more rapidly. I then asked if I should be able to give him names of the Americans thought to be in Soviet zone he would agree to our seeing them. He answered affirmatively.

General Chuikov then raised his objection to the HICOG Court decision concerning the turnover of the Soviet child Johanna Bobrovitch. Chuikov sweepingly rejected American court's jurisdiction over the Soviet child, claimed this procedure to be contrary to the March 1946 Repatriation Agreement and insisted that he would take no cognizance of the existence of such a court. After explaining in considerable detail our judicial arrangement for protection of minor children, I promised however to examine Soviet allegation that HICOG action was contrary to the previous agreement on repatriation.

In conclusion I brought up the Linse case and reminded Chuikov that in accordance with Chuikov–Donnelly agreement, [5] protocol chiefs were designated to conduct an investigation into the facts concerning this kidnapping, that only one such meeting had taken place, and despite the fact that sufficient additional information was transmitted to the Soviet protocol people, no concrete indication of any Soviet activity concerning this case has been forthcoming. Chuikov with hurt innocence stated that there has been additional correspondence from him in which he once again indicated that the Soviets have no information about Dr. Linse. When I pressed him for Linse's return he categorically asserted that "we have not seen him, we have not heard of him and he has never been held by any of the Soviet agencies."

It became obvious at outset of talk that Chuikov had no motive in setting meeting other than compliance with suggestion made during my visit to Berlin in December. [6] He was correct and cordial but gave no evidence of any change in his previous firm attitude on any matter discussed. He was particularly insistent upon his right to interview Kulikov in Berlin hinting strongly that if this could not be managed he would not make arrangement for us to see two US military police.

It may be worth noting he did not bring up subject of alleged US terrorists and spy situation in Berlin or even repair to Soviet tank memorial though he has written me about both subjects recently.

---

[5] See telegram 472, Document 562.

[6] Regarding Reber's visit to Berlin at the end of December, see the memorandum of conversation, *supra*.

Aside from his assurance regarding non-interference with traffic on Autobahn and access of wreckers to Autobahn, interview left situation about what it has been in past months.

LYON

No. 566

762.0221/1-2753: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, January 27, 1953—6 p.m.

1209. Since my return to Berlin I have been deeply impressed with what a tight little island Berlin has become. The sealing off of Western sectors from Soviet zone which began in earnest immediately following signing of contractuals has steadily progressed. In September I made a tour along our zonal border. At that time it still would have been easy for any German wishing to do so to walk across. I made a similar tour a few days ago and situation is today quite the reverse. Today there are only eight remaining points where persons may cross from Soviet zone into West Berlin and of these four may be used only by exclave residents and not by residents of Soviet zone (Berlin tel sent Bonn 1128, rptd Dept 1038 [2]). The large number of refugees flocking into West Berlin (which on Jan 26 reached record high of 2,000 in one day) now travel almost entirely via East Berlin since there has as yet been no closing of the border between East Berlin and Soviet zone (aithough such has been rumored) between East and West sectors within Berlin. In fact Soviets have not yet begun take definite and final steps to split the city physically and hermetically seal it from Soviet zone. I cannot help feeling, however, that difficult though this aim may be to achieve, from Soviet point of view it must be accomplished. To a certain extent Soviets have already split Berlin by such measures as sporadic confiscation of goods, money and cars of West Berliners who enter Soviet sector. These acts are as effective as road blocks in keeping ordinary West Berliner out of East Berlin. As long, however, as Soviet zone and Soviet sector residents can enter West Berlin without too great difficulties, split in city not complete and

---

[1] Repeated to London, Paris, Moscow, Heidelberg, and Washington; the source text is the copy in Department of State files.

[2] Telegram 1128 reported that two more crossing points between the Soviet Zone and the Western Sectors of Berlin had been closed on Jan. 11. (762.0221/1-1253)

Soviets are deterred from accomplishing their ultimate purpose in East Germany, namely complete subjugation of population.

I shall cite but one of numerous examples: During week-ends school children from Potsdam travel regularly to West Berlin in order attend movies. Obviously they return knowing that much they are taught in "workers paradise" is false. It seems to me only matter of time until Soviets are forced find some means of preventing such occurrences.

When acting US High Commissioner Reber talked with General Chuikov, Chief of SCC in Germany, Jan 16, [3] latter stated in no uncertain terms that Allied traffic on Autobahn between Berlin and West Germany would not be interfered with. While I am not one to place reliance in such assertions by Soviet official, no matter how highly he may be placed, such a statement inevitably tends to substantiate feeling we have here that Soviets do not desire reimpose complete blockade in near future. Naturally it would not be prudent to rule out such a possibility completely. Situation in East Germany may become so desperate that Soviets may be forced divert attention therefrom by dramatic act such as blockade. Also we should not forget that in completely sealing West Berlin from Soviet zone, Soviets have placed themselves in a better position to render a blockade more effective. During last blockade considerable quantities of food continued to flow into Berlin from Soviet zone. Due to sealing of borders this would not be case in future. Moreover, I feel there is always possibility Soviets may decide on Berlin blockade in order to use this as counter in any international bargaining which they may undertake in future, for example in Korea. Nonetheless on whole I consider possibility of blockade in near future unlikely and I feel most emphatically possibility should in no way deter us from proceeding with plans to build up Berlin economically.

By above I do not desire give impression Soviets have no new difficulties in store for us. Acts of terror, measures of isolation, and constant harassment must be expected. In addition, from here it would seem we must begin to plan for increasing turnover of sovereignty to GDR Government by Soviets. I anticipate more and more attempts to force us into position of being dependent on goodwill of East Germans for our position in Berlin rather than quadripartite agreements. Ratification contractuals with resulting increase of sovereignty for FedRep will serve handy excuse for such moves. I believe we must begin plan how we will react to such efforts to undermine our position West Berlin.

---

[3] Regarding Reber's meeting with Chuikov on Jan. 16, see telegram 1057, *supra*.

In summary last three months have seen considerable tightening of West Berlin island; while total blockade does not appear imminent we must expect constant Soviet pressure to undermine our position West Berlin. Obviously we must be on alert for such pressures and rally our Allies to counter them.

LYON

No. 567

762B.00/2-953: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, February 9, 1953—5 p.m.

1269. Re Bonn's 3463 to Department repeated Berlin 428, London 690, Paris 942, Moscow 190. [2] We still have seen no clear-cut indication that Soviets intend *de jure* incorporation Soviet sector into GDR within near future. Since *de facto* incorporation already reality we feel they are likely to take such action only if they feel some gesture of defiance is necessary, e.g., as reaction to ratification contractuals, or if they specifically desire provoke change in Berlin *status quo*. This last possibility particularly can never be ruled out and we, therefore, agree that general Allied reaction should, if possible, be promptly agreed upon.

In considering possible *de jure* integration East Berlin into GDR we have attempted set forth considerations favoring action on our part to give Tenth *Land* status to Berlin and those which would point toward maintenance of semblance of *status quo*. Our conclusions are the following:

A. In favor *de jure* integration Berlin into Federal Republic

(1) *De jure* integration would, by making Federal Republic's responsibilities clear, ensure Federal Republic's continuing interest in and support of Berlin. Berlin's representatives fortified with power of vote would be able influence Federal Republic policy in favor Berlin and result might eventually be slight reduction US outlay necessary maintain Berlin.

(2) Integration would eliminate minor but constant sources friction between Berliners and Allies which result from Berlin's largely fictional independent status.

---

[1] Repeated to London, Paris, Moscow, and Washington; the source text is the copy in Department of State files.

[2] Telegram 3463 stressed the need to have formulated a U.S. position if the Soviet Union incorporated the Eastern Sector of Berlin into the German Democratic Republic. (762B.00/1-2753)

(3) Berliners and Berlin Government may probably be expected push strongly for *Land* status if East Berlin included in DDR. To refuse will certainly cause misunderstanding and may prompt impression that Allies too weak or divided to take positive action.

(4) In general, Berlin's electorate appears more reliably democratic and politically mature than that of Federal Republic. Therefore, integration Berlin might have desirable result of reducing effect future electoral gains of right radicalists in Federal Republic.

(5) Prompt action to make Berlin Tenth *Land* would be clear indication to Soviets of resolute and bold Allied policy and might discourage them from further actions which would have more serious effect on West Berlin than *de jure* incorporation East Berlin into DDR.

B. Against *de jure* integration of Berlin into Federal Republic

(1) Any move to integrate Berlin into Federal Republic might encourage Soviets to interfere with free access to Berlin by destroying final semblance quadripartite status of city since they would be offered tempting justification that communications between Federal Republic and Federal Republic exclave not guaranteed by quadripartite agreements.

(2) We do not feel that vis-à-vis Soviets we remain in Berlin today because such provided for in quadripartite agreements. We feel, however, that these agreements have been influential in keeping our Allies in Berlin. In our opinion, the stronger our legal basis for being in Berlin, the less danger there will be of serious differences with our Allies on the advisability of remaining in Berlin in time of crisis.

(3) By integrating Berlin *de jure* into Federal Republic, we would inevitably lose our sovereign powers in Berlin as Allies. Thus we would no longer be in position to control actions of Germans in Berlin (except perhaps in time of ultimate emergency). There seems considerable disadvantage in losing basic control in situation so danger-ridden as Berlin, particularly in view our commitments to defend it by war if necessary.

(4) If we should ape illegal act of Soviets in integrating East Berlin, we would find ourselves in difficult position effectively to protest measures which would logically follow assumption of sovereignty by GDR. As example, if following integration East Berlin, East Germans refuse recognize validity Allied-issued interzonal passes, we would undoubtedly be in stronger position take effective countermeasures if Soviets cannot claim that we ourselves have recognized end of quadripartite agreements on Berlin by making it part of Federal Republic.

(5) Finally, if Soviets should institute measures approximating blockade, we believe Allies would be in slightly stronger position to restore access by force if it is clear we are doing so to supply our troops who are in Berlin in accordance still valid quadripartite agreements and German population for whose welfare we are directly responsible.

We are unable judge one important consideration from Berlin, namely, what attitude of West Germans and Federal Government would be in event consolidation East Berlin into GDR.

Without taking this latter factor into consideration we have weighed (A) and (B) above against each other and have tentatively concluded that considerations working against *de jure* Tenth *Land* status for Berlin are overriding. We believe that in long run no matter what status of East Berlin is, a firm legal basis for presence Allies in Berlin is more important than all factors listed under (A). In fact, we feel that primary purpose any Soviet move integrate East Berlin *de jure* into GDR might well be to entice us to do likewise with West Berlin. Soviets might hope in this manner achieve more maneuverability than they have had since blockade.

We do not mean by above that we should sit idly by if East Berlin incorporated. We tend believe that we should utilize such move to eliminate as many differences between Berliners and Allies which result Berlin's independent status as possible. We should drop objections to Constitutional Court, forget about wording of Mantelgesetz, participation Berlin in Federal elections, activity Federal agencies in Berlin and insist only on two things as proof Berlin's independence:

(1) Federal laws cannot apply directly in Berlin;
(2) Berlin representatives may not vote in Bundestag. Moreover, we should scrap revised statement of principles or declaration, whichever happen to be in effect, and replace it with brief declaration making Allied sovereignty clear, providing for broad emergency powers and nothing else. Allied Kommandatura should promptly become as nearly dormant as possible. Finally, serious consideration should be given to allowing recruitment in West Berlin for European Army. If this could be done, we believe pressure from Berliners for Land status will not be overwhelming and that Berlin will be losing very little, if anything, through its "independent status".

Obviously, as tactical move to get British and French to go along with above, initial US position might well be in favor *de jure Land* status for Berlin. As of moment, however, we feel that Tenth *Land* status for Berlin would be bigger gain for Soviets than for Berliners or Allies.

LYON

No. 568

Editorial Note

In a speech over RIAS on the occasion of his first official visit to Berlin, newly appointed United States High Commissioner for Germany Conant stated, *inter alia:*

"Speaking as the U.S. High Commissioner for Germany, let me make plain at the outset the position of my Government. The new administration in Washington will not abandon Berlin. The United States is pledged to do its part to see to it that this city continues as an unshaken outpost of the Western world. We shall continue to insist on the free circulation throughout the entire city. We shall continue to fulfill our duties and maintain our rights. . . . The United States in cooperation with the other two Western powers, is determined to keep open the lines of communications with Berlin. I can assure you there will be no faltering in our determination."

For text of this address, given on February 18, 1953, see Department of State *Bulletin,* March 2, 1953, pages 327–328.

No. 569

762.0221/2–2653: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, February 23, 1953—1 p.m.

1356. Re Department's telegram 4232 to Bonn repeated Berlin 405 [2] following is our thinking on questions raised in reference telegram implications Soviet move to complete isolation West Berlin:

(a) Political—such move, in our estimate, will not noticeably disturb political picture West Berlin although it may be expected somewhat strengthen present coalition as previous Soviet pressure has done in past. We do not think it will result in any tendency on part political leaders or parties to give in to Soviet pressure nor in any marked change in party strength.

(b) Psychological—most West Berliners have since December been effectively discouraged from entering both Soviet sector and

---

[1] Transmitted in telegram 3989 from Bonn, Feb. 26, with the notation that it was being repeated to Washington for information.

[2] Telegram 4232 asked for the latest estimate on the implications for West Berlin of a complete split of the city, plans that were being made to meet such developments, and what support the Department of State could give for these efforts. (762.0221/2–2053)

Soviet Zone (see Berlin's 1302 to Bonn repeated Department 1202 [3]) and have been resigned to complete split in city for some time now. We therefore think much of psychological effect in West Berlin of isolation has already been largely absorbed. Naturally it will result in additional feeling of insularity particularly since it will eliminate possibility which still exists today of West Berliners receiving visits from East Germany relatives and friends. Nonetheless we do not expect alarming drop in morale of West Berliners unless psychological reaction in West Germany result in refusal place orders in Berlin thus causing increased unemployment.

(c) Economic—see below. Major danger will be psychological impact on Western World and Federal Republic in particular. If move results in lack of confidence in Berlin's ability deliver goods, results may be serious. It is in this field we have most to fear and in which our strongest efforts needed counter effects of Soviet move.

(d) Security—since completion isolation process would presumably end refugee flow with burden it has placed on Berlin's facilities, it can be expected improve security situation within city. . . .

Re economic implications, should be emphasized that for practical purposes city has been split for some months and further possible effects to large extent already discounted. Only major adverse effect expected from psychological impact in West Germany, where customary alarmist handling of news by press may well result in potentially serious decline of orders for Berlin. Re effect on low income groups of elimination access to East sector supplies, this situation has already existed since East prohibition on sales to West Berliners at end November 1952; chief visible effect so far has been pressure for continued bread subsidies which Senate has already agreed maintain until March 31. Should be noted also that in case relief recipients present situation merely puts their real income on basis equality with similar recipients in West Germany, over whom they formerly enjoyed substantial advantage due to access to cheap Eastern supplies. One aspect of split with possibly temporary dislocating effect on local economy is elimination of border-crossing employment; this connection see our telegram pouched Bonn unnumbered July 18, 1952 and memorandum to Bonn dated October 17, 1952 and January 13, 1953. [4]

We do not expect any tendency flight of capital or evacuation industrial plants to West as result split of city. Berlin's markets and sources industrial raw materials have long been so overwhelmingly in West that elimination of access to Soviet sector cannot possibly affect viability of industry; but it would be sensitive to adverse re-

[3] Telegram 1302 reported new measures to isolate the Soviet Zone and Sector from West Berlin, but stated that no new measures had been instituted which were directed primarily at the population of West Berlin. (762.0221/2-1253)

[4] None found in Department of State files.

actions in West Germany and abroad resulting in cessation or substantial decline of orders or rumors of impending blockade or other grave political consequences. As shown by record of past year, Berlin's own economic morale remarkably steady under pressure and only evidences of outward capital movements have been due to strictly economic incentives, e.g., local investments in specially favorable West Germany bond issues such as Bavarian loan of last spring and recent Federal Republic loan, in neither case of volume large enough to be attributed to political motivations or to have important economic consequences. No evidence of movements of plants, and believe none likely unless decline of orders of serious importance should occur extending over long period of time.

Kommandatura and Berlin Senate surveyed local situation last summer and plans essentially ready for all foreseeable economic contingencies, with exception some differences of opinion re handling possible S-Bahn developments. West sector in relatiely favorable position to take care all public services and utilities. See our telegram sent Bonn 1292 June 14, 1952, our despatches to Department 960 June 24, 1952, 26, July 8, 1952 and 542, January 2, 1953.[5]

We felt frequent and high level indication should be given of our intention stay in Berlin at all cost. In this connection eventual visit of Secretary to Berlin would have extremely salutory effect. Bonn may also desire suggest Department give consideration protesting at governmental level against measures taken by Soviets or persons under their jurisdiction to isolate West Berlin.

Re protests, letter to Dengin re streetcars was despatched as scheduled February 21 (Berlin's 1346 to Bonn repeated Department 1249[6] and status of S-Bahn protest is described in Berlin's 1354 to Bonn repeated Department 1255.[7] We are contemplating no further move this nature for present at Berlin level since we feel general protest on Berlin developments will be more effective at HICOMer or governmental level.

It is requested that this message be transmitted to Washington if Bonn approves.[8] Signed Lyon.

---

[5] Telegram 1292 was apparently not repeated to the Department and has not been found in Department of State files; despatches 960 (local transport system in Berlin), 26 (economic consequences of possible complete separation of East Berlin from West Berlin), and 542 (plans for dealing with severance of S-Bahn service) are not printed. (962.51/6-2452, 862A.00/7-852, and 662A.62B/1-253)

[6] Not printed. (762.0221/2-2053)

[7] Telegram 1354 transmitted the text of a draft note to Dengin protesting further changes in S-Bahn service. (762.0221/2-2153)

[8] On Feb. 26 Bonn commented on this telegram, concluding as follows:

Continued

No. 570

762.0221/3–1953

Memorandum of Conversation, by Daniel W. Montenegro of the Office of German Political Affairs[1]

CONFIDENTIAL [WASHINGTON,] March 24, 1953.

Subject: Berlin Situation and Problems

Participants:

Governing Mayor Ernst Reuter of Berlin,[2] and GER: Mr. Geoffrey Lewis; GPA: Messrs Brewster H. Morris, Coburn Kidd, Warren P. Blumberg, D. W. Montenegro; GEA: Mrs. Eleanor Lansing Dulles, Mr. George Jacobs; GER/P: Mr. Richard Straus; UNA/R: Mr. Lawrence A. Dawson; E/VFA: Mr. Arthur C. Ringland; Germans: Herr Hans Hirschfeld (accompanying Mayor Reuter) and Herr Federer (of the German Diplomatic Mission).

1. *RIAS.* Mayor Reuter referred to the visit to Berlin of Mr. William Heimlich (former director of RIAS, now an investigator for Senator Hickenlooper, Chairman of the Senate Foreign Affairs Sub-Committee, which is looking into the conduct of the information program.) Reuter said that he was not informed of the reasons for Mr. Heimlich's dismissal, and that he had nothing personal against Mr. Heimlich, but made it clear that it would be undesirable to make "too many changes" in RIAS, and that "we should avoid giving the impression, particularly at this time when the East is weak, that we are divided, quarreling among ourselves. We must give the impression that there are no differences of importance among us." He then added, "RIAS is well accepted, both in Berlin and in the Soviet Zone, as *the Berlin Station;* accepted as both the 'Voice of Berlin' and the 'American Voice in Berlin', because the listening public has come to recognize that there is a fusion of interests, and of viewpoint, between the Germans and the Americans in Berlin." Therefore, "although undoubtedly RIAS

"We think isolation West Berlin, which violates agreements establishing city as single entity under quadripartite government, is serious enough to warrant consideration of general protest at governmental level. This protest may induce uncertainty in Soviets as to Allied future moves. It also creates danger, of which we should be fully aware, that Soviets having gone too far in splitting city will disregard Allied protest and be in increasingly stronger position if we are unable to back up any implied threats in our protest." (Telegram 3990 from Bonn, 762.0221/2-2653)

[1] This conversation took place at the Department of State on Mar. 19.

[2] Mayor Reuter was in the United States to stimulate interest in and aid for the refugees who were entering West Berlin at a rate averaging about 2,000 per day.

could be operated as a German station by German experts, and is in fact operated mainly by Germans today under American direction, it should continue as an American station for a time." He went on to point out that letters from Czechoslovakia indicated that RIAS has an audience in the satellite states also. He said that publicized investigations could do harm to RIAS' influence.

2. *Refugees.* Mr. Dawson asked what the prospects are that West Berlin will be isolated and the flow of refugees cut off. Mayor Reuter replied that, in the long run, the Soviet Zone authorities will undoubtedly be forced to attempt to stem the tide because of the loss of manpower. On the other hand, the degree of disorganization in the East Zone, the lack of authority, of responsibility, of willingness to make decisions, already chronic before, has become acute since Stalin's death. There is a lack also of coordination and of uniformity of action. For instance, in some areas farmers are well treated, in others badly. Conditions vary within localities, and in some cases within a single factory. It is difficult to say when they will make a determined effort to stem the flow. The pressure to do so is great, not only because of the loss of manpower but because of prestige and propaganda considerations. Yet it is unlikely that they will close the door completely; splitting the city would be still more difficult. People will continue to be able to get through in any case, and will continue to try. It must be remembered that, unlike refugees in many other parts of the world, these people are not going to another country; they are not leaving Germany, and they continue to have hope that they will be able to return to their homes.

Asked whether many of the refugees went back to the Soviet Zone of their own free will, Mayor Reuter replied that it is difficult to say. In the course of registration and screening some 10% to 15% "get lost". It is not known whether or not a large number of these voluntarily return to the East Sector and Zone. Some travel back and forth, but generally speaking it can be said that those who have left their farms, factories, shops, offices, even where they have not done so for political reasons, have by the very fact of their flight become political refugees. Most can expect only severe punishment if they return, but this varies from place to place.

A notable aspect of the refugee situation, Mayor Reuter pointed out, was that despite the overcrowding, penury and uncertain future, there are no signs of despair or demoralization, either among the refugees or the Berliners (who seem to thrive on crises, he added with humor). Crime statistics have not been affected and continue their downward curve, noticeable since the early post-war days, and crimes of violence are in particular becoming rarer. This

is due to the sound morale of the population and an improved police force.

Mayor Reuter said emphatically that the security situation had not deteriorated. (In another conversation he pointed out that there was in this situation certain "safety in numbers", inasmuch as there is hardly a town or hamlet in the East Zone not represented by a number of refugees in West Berlin and since the people in the camps are constantly scrutinizing one another, and the grapevine is very active, it would be difficult to masquerade under false colors without being detected either in the camps themselves or in the screening process, for the screening panels are themselves composed in part of refugees from all over the Soviet Zone. Moreover, it would be pointless for a communist agent to put up with conditions in the refugee camps when he could enter either West Berlin or the Federal Republic without great difficulty).

Mrs. Dulles and Mr. Morris asked about the "unrecognized" refugees and the Agreement between Berlin and the Federal Republic regarding the acceptance of refugees by the latter. Mayor Reuter said that his negotiations with the Chancellor have paved the way to an improvement in the situation, and that in his meeting with the Chancellor in February, which had been a satisfactory one, Adenauer had agreed to all his requests except for a review of the Relief Law. The unrecognized refugees will have a better chance of going in view of the Chancellor's promise to make changes in the categories of those accepted, but further changes will be necessary if the stream continues at a rate of 50,000 per month. It may be necessary, however, to compel some of the refugees to go to the Federal Republic, because many want to stay in Berlin.

Asked by Mrs. Dulles what the refugees need most of all, Mayor Reuter replied "Work"! and added that this made the investment program still more important. In reply to Mr. Ringland's query as to what the Voluntary Agencies could most usefully do, he said that they could best serve by continuing to improve conditions within the camps, in particular by "helping the refugees to help themselves", providing them with instruction, tools and materials to make their lives a little less uncomfortable, and by providing them with sympathetic attention and ministering to their social and religious needs. He expressed his admiration for the work they are already doing.

The physical conditions in the camps, Mayor Reuter said, are bad, as Dr. Conant saw during his recent visit, and threaten to get worse if the influx continues as great as at present, or greater. Shelter is being provided for all, and no refugees have been forced to stay out of doors overnight except during a very great influx one weekend at the beginning of February when the registration facili-

ties became jammed. The Berlin authorities are reluctant, he said, to improvise or construct additional camps or shelters which are sub-standard. They believe that if more are needed they should provide for better conditions. The health situation, he said, is not bad since the people are clean. He mentioned that he had "drafted" a Herr Willbrandt [*Willi Brandt*] to help Senator Bach with refugee problems.

Mr. Dawson asked whether a greater influx of refugees could not be expected during the summer months, as has been the case with other refugee movements. Mayor Reuter thought this might occur, but was hard to predict.

Asked by Mrs. Dulles about refugees working "black" (illegally), Mayor Reuter said that about 30% of the unemployed, including refugees, have some means of making money. He said that through the "Notstandprogram" an effort was being made to check this development.

3. *Economic Problems.* Mayor Reuter repeatedly in this and other conversations referred to Berlin's economic situation in terms of unemployment, emphasizing the political importance of improving social and economic conditions in the Berlin "show window of the West" and of thereby buttressing the morale of the Berliners. He said that unemployment had dropped to a low of 244,000 and that he hoped that it would go down by winter to 230,000 or even 220,000. If it were not for the refugees, he pointed out, the present figure might be as low as 180,000. He said that we should make a particular effort at this time, while the East is weak, to push the figure down to 200,000, and eventually 150,000 if possible.

Mrs. Dulles inquired regarding present economic aid. Mayor Reuter said that the Notstand program should be increased, adding that in his opinion we have been cutting it too early. The money is not wasted, he said. Mrs. Dulles observed that we had been informed that it would be difficult to expand the program. Mayor Reuter replied that this probably reflected the views of the larger business concerns which had received about as much as they could readily absorb and tended to disregard, perhaps deliberately, the needs of smaller and newer businesses. He stated emphatically that the problem is not to contribute to the growth of the big established firms, although what was good for them was good for Berlin, but to restore Berlin industry as a whole to as near its prewar level as feasible. He hinted that perhaps the opinions of the leaders of big industry were given too much weight in economic planning. Mayor Reuter did think, however, that the equity financing planning. Mayor Reuter did think, however, that the equity financing

plan proposed by the Richardson Wood group might be on too large a scale. [3]

Mr. Strauss mentioned that we were in consultation with the German Diplomatic Mission concerning the possibility of stimulating the sale of Berlin exports in the United States, by means of an exhibition and in other ways. He asked whether the investment program could not perhaps be designed to encourage industries producing for export to the United States in particular. Mayor Reuter, without replying to the latter point, said that an intensive study is being made with regard to exports to the United States, and that a team is being organized to study American market conditions and possibilities. Sales abroad have gained remarkably since 1949 when Berlin products frequently cost 20% more than similar products in the Federal Republic, Mayor Reuter said. He urged, however, that some allowance be made for higher costs in Berlin, and that as a political measure Berlin be given orders by the United States forces and other official agencies "even when the price of the Berlin product is a little higher". Berlin, he said, wants to support itself to the greatest extent possible by its industrial activity and not by charity.

4. *Kommandatura-Senat Relations.* Asked by Mr. Morris to speak frankly about relations between the Allies and the Berlin Government, Mayor Reuter first asked why the new Declaration could not be introduced now, instead of waiting until the Contractuals go into effect. [4] He made it clear that he thinks that at times we give in to the French more than necessary or desirable. He said also that he felt that there are too many people dealing with too many details. He urged that the Berliners be made to feel that they are as free as conditions permit and where matters of safety (security) are not concerned. It is important, he said, to impart to the Berliners a sense of responsibility, and a sense that they are our associates, even though the Allies must remain responsible in matters of defense and relations with the Soviets generally. He referred to the matter of the seized police binoculars as a typically annoying instance of petty intervention.

Mayor Reuter went on to say that the day-to-day relationships between the *Senat* and Kommandatura* could be greatly improved

---

[3] Under reference is "Proposals for Furthering the Economic Development of West Berlin," dated Dec. 15, 1952, which was prepared by Richardson Wood and Company on contract with the Federal Republic of Germany and the Mutual Security Agency. The several hundred-page report was transmitted to Minister Bluecher on Dec. 15 and released to the public shortly thereafter.

[4] For the Declaration on Berlin, see Document 538.

* Which he said should be called Kommandatur, and not spelled in the Russian manner. [Footnote in the source text.]

if some of the sensitivity on the part of one or another of the occupying powers could be dissipated a little, and if there were not such an excess of liaison and supervision (he did, however, pay tribute to "good friend Karl Mautner").[5] He remarked that Berlin was the only place in Germany where liaison officers sat "right in the offices" with the government officials, and that their continual presence tended to become oppressive. He could not fathom the reason for this, he said. The Kommandatura is kept well informed, he observed, and provided in fact with reams of multiple copies of every act of the city government. And he, the Mayor, despite the demands of pressing problems on his time, was always available to the liaison offices, he added. He asked that some of the red-tape be taken away. He would be particularly grateful if some of the many liaison teams could be reduced to a few main ones, and these need not sit directly under his nose.

Mr. Kidd asked whether the relations of the Kommandatura with the German police were good. Reuter replied in the affirmative, but again remarked about the multiplicity of agencies, including the Verfassungsschutz organization . . . .

5. *Cheap Air Service to the Federal Republic.* Mayor Reuter stressed the need for cheaper air facilities to the Federal Republic, asserting that the round trip fare to Hanover was too high, and could be much cheaper if the big airlines "were not so mighty". He asked that something be done to override the interests of the big companies for the benefit of Allied and Berlin political interests. He said that this problem should be given the highest priority.

6. *General Situation.* In response to Mr. Jacobs' inquiry as to the GDR political situation and leadership, or lack of it, emanating from Moscow, as well as Chuikov's authority, Mayor Reuter said that it appeared to him that there was a great deal of confusion and of indecision; that Chuikov himself exerted little political influence, and that for the past three or four months, since the purge in Czechoslovakia in fact, there had been clear signs of disintegration. For sometime, particularly since Stalin's death, it seemed that no clear orders or lines of policy were coming through from Moscow. Answering another question, Mayor Reuter said that he doubted that the Soviets would go far in giving real authority to the GDR

---

[5] On Mar. 13 Lyon had written Riddleberger enclosing a copy of a memorandum of conversation involving Reuter, Mautner, and himself, stating that he had informed Reuter that the British and French Commandants felt they were being snubbed by the Mayor. Lyon indicated to Reuter that this made relations in the city difficult and that the Mayor should take the British and French into his confidence as he did with him. Lyon closed by saying that the British and French had both reported that relations had warmed up, presumably as a result of his initiative. (762A.0221/3–1353)

government. The Soviets are afraid, he stated, that the GDR officials will come to an understanding with the West Germans if permitted to negotiate with them. On the other hand, there is lack of consistency and discernible purpose in Karlshorst's intervention in GDR affairs. Frequently, it does not make sense. Referring to travel between the East and West Sectors of Berlin, Mayor Reuter said that some of the actions of the East Berlin officials may have been due, not so much to an intention to interfere with free circulation, as to severe difficulties with equipment and administrative inefficiency. Despite the risks and newly imposed currency difficulties imposed in East Berlin, and the measures taken by the East to discourage visits to the West Sectors, the people still travel back and forth in great numbers.

It is difficult to say just what the Soviets intend to do in, or to, Berlin in the near future. Pressures are imposed, then removed just as suddenly, without any clear pattern emerging. Perhaps the very purpose of these tactics, Mayor Reuter said, is to keep us perplexed and in a state of tension.

No. 571

762A.00/3-2053

Memorandum of Conversation, Prepared in the Department of State[1]

SECRET [WASHINGTON, March 20, 1953.]

Subject: Berlin

Participants: Secretary Dulles
Mayor Ernst Reuter, Berlin
Dr. Hans Hirschfeld, Berlin
Dr. Heinz L. Krekeler, Chargé d'Affaires, German Mission
GER—Mr. James W. Riddleberger
GEA—Mrs. Eleanor L. Dulles

General

Secretary Dulles and Mayor Reuter referred briefly to their meeting in 1948. The Secretary then asked in general terms about Mayor Reuter's conversation with the President and referred to the President's remarkable variety of interests.[2] Mayor Reuter mentioned that he had met President Eisenhower in Berlin.

---

[1] This conversation took place at 2:30 p.m. on Mar. 20.

[2] Reuter had been scheduled to meet President Eisenhower at 12:15, but no record of their conversation has been found in Department of State files.

Refugees

The Secretary asked Mayor Reuter for an explanation of the large increase in the number of refugees coming into Berlin. Mayor Reuter said that in his opinion the reasons were mainly economic. He stated that there had been a very great deterioration in the conditions prevailing in the East Zone, that the administration seemed to be almost without purpose and plan. He indicated that most of the refugees coming over were able-bodied citizens and good workers. He gave as his opinion that if this outflow of refugees continued for a considerable time, the Soviets would take steps to halt it. He indicated that this would be difficult to accomplish.

Secretary Dulles asked whether the Mayor thought that the measures taken in East Germany were any indication of increased militarization or military threat. The Mayor said that they were not in his opinion, that he thought there was no plan either to increase or to halt the number of refugees at the present time. He further stated that the efforts of the Soviets to collectivize the farms had led to a large scale exodus of farmers, and that many more workers from the big factories were coming out of East Germany. The Secretary asked whether there were many refugees crossing the zonal border outside Berlin, to which the Mayor replied there was merely a trickle.

The Secretary asked Mr. Riddleberger whether the Department's interpretation of the refugee situation also led to the conclusion that the exodus was not planned. Mr. Riddleberger stated that this was the Department's view. He referred to the dead zone at the East-West zonal border and stated that it was very difficult to cross and that the numbers were something like 70 or 80 persons as compared with the 40,000 coming through Berlin in the last few weeks. With respect to the Soviets attitude toward the refugee movement out of East Germany, Mr. Riddleberger indicated that we believed the Soviets could cut the number drastically, but that they did not wish to do so because this would probably mean dividing the city in two and preventing workers from going back and forth within the city. There were probably political reasons for reluctance to do this.

The Mayor stated that the building of a Chinese wall to keep out refugees was difficult, particularly in Berlin. He said the efforts of the Soviets to keep refugees back would probably mean disturbance to all traffic and would require very special measures.

Mr. Riddleberger stated that it must be remembered that the Germans were moving within Germany and that this was always harder to stop than the movement into a strange country.

The Mayor stated that there was a great deal of collusion between Germans. Dr. Hirschfeld said that a number of *Volkspolizei* had actually come over to the West recently—a dozen or so.

Mr. Dulles asked whether the refugees brought anything with them. The Mayor said "usually not", that if they carried anything the crossing became conspicuous and dangerous. The Mayor stated that the important thing was to get the refugees out of the city into West Germany. He asserted that the Berliners would do all they could. He reported that as many as 1,750 had been flown out on a recent day. He said this constituted a big administrative task and presented a large problem not only to Berlin, but to West Germany. He assured the Secretary that everything possible would be done to accomplish what was necessary to fly the refugees out.

Employment

The Secretary asked whether the people in Berlin, including refugees, were kept well employed. The Mayor said not as well as would be hoped. More investment in Berlin is needed for this purpose.

The Secretary asked whether the Mayor had mentioned this to the President. Mayor Reuter said "no", but that he had talked about it to Mr. Stassen. [3] He stated that Mr. Stassen had said that he recognized the importance of this investment program and that allocations for this purpose would be made—that he was hopeful of receiving aid (see attached note).

United States Aid to Berlin

The Secretary said that this was very interesting, that he felt Berlin was a place where American aid could be justified. He stated that there were some places where our assistance was not really needed, and where people must help themselves. In the case of Berlin, however, he could see that it was hard for them to handle their problems alone.

Mayor Reuter replied that without American help, Berlin would have been lost, that it was impossible to stand alone without help. He added that Berlin was a point from which Western influence could radiate, and that the position in Europe was vastly different now from what it would have been if Berlin had been lost. Mayor Reuter said that the people know me as I walk through the streets, they know my voice and the voices of my colleagues. The Secretary said you are like a father to them. The Mayor said someone has to be their father.

---

[3] For a record of Reuter's meeting with Stassen, which presumably took place between his meetings with the President and with Secretary Dulles, see the attachment below.

Berlin Morale

Secretary Dulles asked about morale in Berlin. Mayor Reuter made a gesture of friendly assurance and said that this is something which calls for no discussion. The Secretary said you take it for granted. Mayor Reuter indicated there was no weakening on the part of the population. The press, he said, stressed many unimportant incidents which concerned only a few people. Actually Communist activities in Berlin are scarcely noted. The strain comes rather from the knowledge that one cannot leave the city. Only about 20% of the persons in Berlin can leave by car or plane.

The Secretary said that in view of the long continued siege of the city, it was remarkable that there was no real sense of claustrophobia, that it was remarkable that the Berliners had stood so firm. The Mayor said "we are not heroes, but even when we are not in a blockade condition we still have a firm determination."

Dr. Krekeler interjected and said that he had not realized until his recent talks with the Mayor how important Berlin was in the present day struggle with Communism.

The Mayor said that Berlin was the means whereby the Soviets were prevented from consolidating their position in Germany. As long as Berlin is there, there was no chance of Communism dominating the East Zone. Dr. Krekeler said that what Mayor Reuter had told him in the last few days had amazed him. He felt now that Berlin was a disintegrating factor for East Germany.

The Secretary asked about the effect of Stalin's death and Mayor Reuter indicated that he thought it would weaken the Communist position in East Germany.

The Secretary asked whether he gave any significance to the recent incidents and Mayor Reuter stated that there were further indications of his view that the Communists are very weak in East Germany.

There was a brief comment on the fact that the Chancellor is coming in ten days.[4] Mayor Reuter said these visits must be a great strain on you. The Secretary said they are a strain, yes, but a real pleasure, and it is particularly gratifying to be able to talk to you.

The Mayor said that I am very sorry that you did not get to Berlin on your recent trip.[5] The Secretary replied that he was sorry too, the trip was so short, only ten days. He added that he hoped to get there on his next trip to Europe.

---

[4] Regarding Chancellor Adenauer's visit to Washington in April, see Documents 177 ff.

[5] Secretary Dulles traveled to Europe Jan. 31–Feb. 8.

[Attachment]

Memorandum of Conversation, by Eleanor L. Dulles [6]

SECRET [WASHINGTON,] March 23, 1953.

In the interview with Mr. Stassen, Mr. Stassen stated that he wanted to talk with Mayor Reuter about two things—

1. When you talked to the President you asked him for food for refugees. Mayor Reuter said "yes". I understand that there is surplus food which can be had without legislation. Mr. Stassen said I believe not without legislation, but I believe that arrangements could be made adding, "I assume you have in mind food that might be distributed to refugees through charitable agencies".

Mayor Reuter said "yes", but, in addition, the people in Berlin must know we are ready to meet any contingency. Mr. Stassen said he would look into the matter immediately.

2. The second point, said Mr. Stassen, is I have been hearing a great deal about expanding the consumer goods industries in Berlin. Is this important? The Mayor said "yes". Mr. Stassen said a man named Sager, a Swiss, I believe, who has a good reputation had been in to see him. He is said to know how to develop new type of goods and package them for the various markets. Do you think this would be useful? the Mayor said decidedly. Mr. Stassen said he would look into the matter and if he proved to be a sound person, would write the Mayor and endeavor to send him to Berlin.

The rest of the conversation was concerned with the refugees and the relation of the investment program to the increased number of refugees.

Mayor Reuter said in his talks about the refugees that the city was doing everything it could and then added in a tired undertone—that in the long-run it was his opinion that Berlin would need outside help.

Eleanor Dulles was present at the interview with Mr. Stassen and stated that Mayor Reuter had asked Mr. Stassen whether he could expect that the investment program would be supported by the United States for 2 or 3 more years. He said that it was of great importance. Mr. Stassen had replied that United States programs are all being reviewed, that the administration must go before Congress with a budget, and that it is impossible to say what funds the budget will contain. Everything is being looked at very carefully. We are looking forward to the report of the teams that have recently gone into Germany and elsewhere.

Mr. Stassen said further that one thing that could be stated firmly was that this administration was going to look carefully at

---

[6] The source text bears the heading "Footnote to Memorandum of Conversation with Mayor Reuter, Berlin, March 20, 1953".

all items and study them thoroughly before making any commitment and once a commitment was made, they would follow it up with determination and it would be a commitment on which one could count.

Mayor Reuter said that he would like to feel that he could go back with a hope and Mr. Stassen said that the matter had been carefully studied by a number of groups, including Eleanor Dulles, and that all these considerations would be taken into account. The Mayor said that he was sure that there would be no fear that Mr. Stassen and the other United States officials would fail to recognize the importance of helping Berlin.

No. 572

862A.00/3-2553

Memorandum by the United States High Commissioner for Germany (Conant) to the Secretary of State [1]

CONFIDENTIAL BONN, March 25, 1953.

Subject: Problems associated with strengthening the economy of the city of Berlin.

As you may recall, I indicated by cable after my first visit to Berlin that I was very much concerned with the problems associated with strengthening the economy of the city, particularly having in mind the importance of developing its industry and thus assisting in the attainment of the objective of economic sufficiency.

During my second visit to Berlin, I was further impressed by the efforts which have been made by our government to attain this objective, and particularly by the vast amounts of money which we have made available for the maintenance and recovery of the city. I am equally impressed with the facts that this load is a continuing one, and that we have committed ourselves heavily to the proposition of keeping Berlin alive and open.

I am of the opinion that we should make every effort to lighten the resulting burden upon American tax payers, by assisting Berlin to help itself to the maximum possible degree, and to use such assistance as we give it, to this end.

The purpose in this memorandum is to raise the question as to whether the Defense Department, by some change of procedures, could increase greatly our Armed Forces procurement in Berlin.

---

[1] Attached to a memorandum from Riddleberger to Secretary Dulles, dated Apr. 1, which supported the position made by Conant. Riddleberger's memorandum bore the handwritten notation by Roderic L. O'Connor "Sec says OK—RLO'C".

This matter has been the subject of considerable thought by the staff in Bonn and Berlin and I am satisfied that, in order to secure serious consideration of any effective change in this direction, decisions will have to be made in Washington rather than here.

Comments made herein apply both to DM procurement and to dollar procurement.

Regarding DM procurement, under the existing directives to the military procurement personnel, relatively little procurement is being placed in Berlin notwithstanding the desire of the military to prefer Berlin sources where possible.

There are three possible ways in which the Army might proceed to alter this situation. The first would be to declare Berlin a separate "bidding area" and require competitive bids within Berlin itself but not require that these bids be competitive with other parts of Europe.

The second possibility is where procurement officers receive bids from a Berlin bidder which are appreciably higher than bids received in the FedRep area, the procurement officer be directed to renegotiate with the Berlin bidder, provided the discrepancy was within a reasonable limit, for example 10% higher. In this case the procurement officer would be directed to apprise the Berlin bidder of the disparity and offer him an opportunity to meet a lower bid. I have been told that the FedRep itself already pursues this practice in distressed areas, and I am informed we would expect no valid objection from the FedRep if there were complaints from West German business firms as to this new practice if it were adopted. It would be perhaps necessary to propose that procurement officers be directed to solicit at least one Berlin bid in all cases where Berlin industry was capable of furnishing the goods under procurement.

A third alternative is that a directive be issued by the Defense Department to the effect that a certain percentage of all DM procurement in certain commodity fields be placed in Berlin. The fields which have been suggested are as follows:

Electrotechnics
Fine mechanics and optics
Furniture and wood processing
Textiles and clothing
Machines, steel and iron products
Medical equipment and accessories

On basis our estimates, should the DM procurement herein suggested be utilized, I believe there might be opportunity for awarding Berlin bidders as much as 80 million DM per year.

Insofar as dollar procurement is concerned, it has been suggested by the staff that there might be a directive to procurement officers

to procure 10 to 25 million dollars worth of goods exclusively in Berlin for FY 1954.

I am aware that these proposals cause inconvenience among the procurement services, and that these proposals are contrary to existing practice. However, in view of the substantial burden laid upon Americans by the Berlin situation, and of the fact that there are many commodities which Berlin can reasonably produce for our Armed Forces, not involving strategic risks, I feel it is our duty to utilize the productive capacity which Berlin has, that we should give it opportunity to produce what we need, and to provide employment for the labor force now unemployed.

If you thought well of these proposals it might be possible to arrange a conference when I am in Washington with Secretary Wilson for me to present the case for Berlin to him personally, or to whatever members of his staff you might designate. [2]

JBC

---

[2] Conant was returning to Washington in connection with Chancellor Adenauer's visit to the United States.

No. 573

762A.00/4-953: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

TOP SECRET WASHINGTON, April 9, 1953—5:44 p.m.

4860. Based JCS recommendation, Defense has requested Department approve initiation tripartite politico-military planning re certain aspects NSC 132/1 [2] including stockpiles, emergency unification Berlin military command, and airlift (though latter authorized Deptel 1110 to Bonn repeated Berlin 144 (summary sent as infotel September 11 to Paris, London, Moscow [3]) Defense reports planning not yet satisfactorily completed). [4]

Department suggesting above might appropriately parallel HICOM discussions and planning already under way re stockpile,

---

[1] Drafted by Morris and cleared in draft with Bonbright, Riddleberger, Matthews, Parsons, Knight, Eleanor Dulles, and the Department of Defense. Also sent to London and Paris and repeated to Berlin and Frankfurt.

[2] Document 547.

[3] Telegram 1110 is not printed. (962.50/8-2752) The information telegram under reference has not been found in Department of State files.

[4] The JCS recommendations were transmitted to the Department of State as an enclosure to a letter from Secretary Wilson to Secretary Dulles, dated Mar. 2. (762A.5/3-253)

countermeasures, etc. (Deptel 1648 to Bonn repeated Berlin 227 London 2489 Paris 2021 Moscow 393 [5]) and be conducted in coordination with latter. Defense being requested designate appropriate US military planning representative, presumably CINCUSAREUR, who will be instructed communicate with you.

London and Paris Embassies requested take up briefly with Foreign Offices, pointing out our discussions re possible Berlin contingencies should include certain military planning in addition HICOM talks already under way, and we therefore request their Governments to select and authorize appropriate military representatives in Germany to participate, these discussions presumably best instituted via HICOM. You will wish emphasize that proposal contemplates planning on a contingent basis, i.e. decision to implement joint plans to be developed would be reserved for three governments in light political and military considerations pertaining at the time.

Fuller particulars being pouched Bonn. Proposal should incidentally cover matter raised Bonn's 4310 repeated Berlin 529. [6]

DULLES

[5] Not printed. (762.0221/10-852)

[6] Telegram 4310 reported that the British and French wanted to discuss airlift planning further and summarized their capabilities during the first period of such an airlift. (762A.0221/3-2053)

No. 574

762.00/4-1353: Airgram

The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, April 13, 1953.

A-1529. The Department has reviewed the policy concerning the question of tenth *Land* status for Berlin, prompted by Bonn's 3463 and Berlin's 1269 to Bonn (rptd 1177 to Dept), [2] which were most helpful.

As HICOG will recall, the established policy, expressed on most occasions when the question arose, was that the U.S. favored tenth *Land* (twelfth *Land* as it was then) status for Berlin (Deptel 2371 to Frankfort, Oct 28, 1949; position paper for May 1950 meeting of Foreign Ministers FM D E-4C (May 3, 1950); and Deptel 2114, Sept.

[1] Drafted by Kidd and cleared by Barbour, Bonbright, Matthews, Riddleberger, BNA, L/GER, and Defense.

[2] Document 567. Telegram 3463 is not printed, but see footnote 2, *ibid.*

18, 1950).[3] The problem was examined at length in FM D E–4C. However, owing largely to the difficulties with the French, who feared the unification of Germany with Berlin as its capital, we acquiesced during the discussions on trizonal fusion in the decision that "in the initial organization of the German Federal Republic" the applicability of Article 23 of the Basic Law should be suspended. This position, adopted by the three Foreign Ministers on April 8, 1949,[4] was considered still cogent during the "normalization" talks in the summer of 1949, until the latter collapsed in September.

After consideration of a memorandum from the JCS in April 1950,[5] the conclusion was reached that political considerations in favor of twelfth *Land* status outweighed the military considerations against, and that this would be the position of the U.S. if the question arose during the discussions of the Foreign Ministers in May 1950. However, in view of the probable positions of the French and British, we did not intend to take the initiative in raising the question at that time or press the point if strongly opposed by the British or French.

The most recent expression of policy was made by the three High Commissioners in their letter to the Chancellor on May 26, 1952,[6] at the time of the signing of the Contractual Conventions, in which they confirmed the decision that:

"the reservation made on 12 May 1949 by the Military Governors concerning Articles 23 and 144(2) of the Basic Law will, owing to the international situation, be formally maintained by the Three Powers in the exercise of their right relating to Berlin after the entry into force of those Conventions."

At the same time, as is apparent particularly from this letter, Article 6 of the Convention on Relations, and Annex A of the Convention,[7] a very close connection was desired between Berlin and the Federal Republic.

As a practical matter, it appears to the Department that there is not much likelihood of obtaining tripartite agreement on tenth *Land* status within the near future, although this is a position which the U.S. might revert to and press for if certain circumstances arise. Without committing ourselves against the tenth *Land* status, the Department is of opinion that the proposals made

---

[3] For telegram 2371, see *Foreign Relations*, 1949, vol. III, p. 429. FM D E–4c and telegram 2114 are not printed. (CFM files, lot M–88, box 149 and 762.00/9–1350)

[4] The Foreign Ministers met at Washington, Apr. 6–8, 1949.

[5] Not found in Department of State files.

[6] Document 58.

[7] For text of the Convention on Relations between the Three Powers and the Federal Republic of Germany, see Document 51.

in Berlin's 1269 offer in general a practicable and advantageous course of action, which might be followed if the East Sector is *de jure* incorporated into the GDR or if the Soviets completely divide the city or interfere with access, or if for other reasons a strong demand is made by the Berliners for tenth *Land* status.

In endorsing the proposals and suggestions re tactics made in Berlin's 1269, the Department would offer the following comments:

(1) It is believed that there should be no recruitment for German EDC forces in the city.

(2) In order to make it possible to avoid Berlin's direct involvement in the Federal Republic's EDC/NATO role even if the West Sectors should sometime acquire tenth *Land* status, it appears particularly important to retain the formality of special *Senat* action, with Allied approval or a period for disapproval, for the adoption of Federal laws. It is understood that treaties of the EDC type are adopted in the form of a law.

(3) With regard to the representation of West Berlin in the Federal Republic, we perceive no objection to the Berliners' directly electing their representatives to the Bundestag and wonder whether it would in fact greatly matter if they were given in addition the right to vote in the Bundestag. Although in the Department's telegram No. 2403, Nov. 10, 1952, [8] it was stated, with reference to the question of elections, that there was no objection so long as Berlin representatives had no voting privilege, it occurs to us that this question may merit re-examination. Owing to the Berliners' strongly pro-Western and democratic stand, we should, other things being equal, welcome their influence in the Bundestag. If they obtained a real voice at Bonn, would they have achieved what is really of interest to them, and thus be able with more patience to put up with the formalities and other exceptions necessary in Berlin?

We are aware of the objection that if the Berlin representatives could vote, the fiction of Berlin's separate status would be stretched very thin. The problem is that the fiction of quadripartite administration is already about as thin as it could be, the Soviets pay no attention to it, and while we agree on the utility of maintaining it, we should not become a victim of our own fiction. The question is thus whether the separate identity of Berlin is not preserved sufficiently for the record if the Allied Commanders remain in the city, vested with the complete powers reserved under Article 2 of the Convention on Relations, prepared to observe any of the quadripartite agreements which the Soviets will themselves observe, maintaining in effect the suspension of Article 23 of the Basic Law, and requiring separate *Senat* action with Allied approval for the adoption of Federal laws and treaties? It seems to us that all this might suffice. We should not wish to influence the decision of the German authorities about the inclusion of Berlin in the Federal election law or the privileges to be granted to the Berlin representatives, nor could the action of the German authorities in any way affect the Allied suspension of Article 23. If, however, the Ber-

[8] Not printed. (762A.34/11-1352)

liners are included or are given the right to vote, they would receive the assurance of having as real a voice in German affairs as their numbers, their political maturity, their democratic and anti-communist record, and their exposed position entitle them to, although they would not in name possess tenth *Land* status. If, in HICOG's opinion, this would mark progress in the relationship with the Berlin authorities similar to that achieved with the Bonn authorities through the Contractual Conventions, we should give it every support.

(4) In general, with respect to common judicial, legislative, and executive functions for West Berlin and the Federal Republic, the Department perceives no great difficulty in the judicial field, for example the Constitutional Court. The important thing in the legislative field is the reservation requiring separate Berlin action for adoption of Federal laws. In the executive field, however, it is believed that numerous complications could arise from direct action of the Federal Republic's executive agents in West Berlin, and this should be avoided.

When the tenth *Land* issue again arises, it is suggested that HICOG explore the matter with the British and French in the sense here indicated. Meanwhile, the Department would welcome any further comments or information from Berlin and Bonn having a bearing on this problem, which has recurred intermittently since 1948 and is likely to be raised again when Soviet pressure on West Berlin is perceptibly increased.

This airgram is being repeated to Berlin, Paris, London and Moscow for info.

Defense concurs in above.

SMITH

No. 575

762.00/4-1653: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET PRIORITY WASHINGTON, April 17, 1953—3:38 p.m.

4942. Department concerned at HICOMs trying warn Reuter against making all-Berlin election moves and French thinking of introducing subject Ministers meeting Paris (Bonn's 4627, repeated Berlin 562, Paris 1176, London 863. [2])

---

[1] Drafted by Montenegro and cleared with Lewis and Bonbright. Also sent to Berlin and repeated to London and Paris.

[2] Telegram 4627 reported that the French High Commissioner was concerned about statements by Reuter concerning the possibility of holding all-Berlin elections

Continued

As you realize we wish avoid four-power conference now re German unity and thus avert to extent possible any developments conducive such conference.

At same time should be borne in mind initiatives concerning all-Berlin elections have been active and settled facet our German policy for years, Reuter has repeatedly made effective propaganda use this question with explicit or tacit approval Kommandatura, and specific approval given by latter to City Assembly resolutions on this matter April 20, 1950. [3] In light this Reuter's action appears natural and consistent. While some risk exists Commies could seize upon new proposals for all-Berlin elections as wedge for broader unification initiative, this applies also to air safety talks and many other opportunities Soviets could manufacture at will. We believe greater risk exists that any Allied attempt quash Berlin unification proposals might become public with serious political consequences. Depressing effect of reprimand on Reuter and *Senat* could also serve cancel out much of heightened friendship and enthusiasm resulting from Reuter's U.S. visit which has already paid good dividends.

Most we think should be done now would be approach Reuter informally and confidentially, telling him there is no objection to general statements this type but that any plan for real *démarche* or other formal action (such as approach to Ebert) should not be undertaken without prior consultation with Allies.

We hope you can discourage French from raising subject all-Berlin elections Paris. While Secretary prepared discuss possible Soviet moves re German unity, ratification EDC and contractuals, Saar issue, we anxious not overload agenda. Secretary's schedule already very full and every effort should be made avoid burdening Foreign Ministers' available time with subsidiary matters this nature, particularly when we suspect French intent largely to rap Reuter's knuckles. [4]

DULLES

---

and stated that the French were considering raising this question with the United States and the United Kingdom during the North Atlantic Council Ministerial meeting at Paris beginning Apr. 23. (762.00/4–1653)

[3] For text of the City Assembly resolution and the Kommandatura letter of approval dated Apr. 20 and 21, 1950, respectively, see *Documents on German Unity*, vol. I, p. 223.

[4] In discussions by the Western Commandants and High Commissioners on Apr. 18 and 21, it was agreed to inform Reuter that any proposals which he had for all-Berlin elections should be submitted to the Commandants for consideration by the High Commissioners since they might affect other German problems which were the concern of the Allies. (Telegrams 1459 from Berlin, Apr. 18, and 4658 from Bonn, Apr. 21, 762.00/4–1853 and 4–2153) There is no indication that this question was discussed further at the North Atlantic Council meeting.

No. 576

MSA-FOA telegram files, lot W-130, "Bonn Tomus": Telegram

The United States High Commissioner for Germany (Conant) to the Mutual Security Agency [1]

SECRET PRIORITY BONN, May 8, 1953—8 p.m.

Tomus 671. MSA pass State and Defense.

1. This cable contains analysis promised May 4 telecon [2] of effects on Berlin economic development of failure US make additional dollars available 53/54 to Berlin investment program.

2. Believe repercussions discontinuance economic aid to Berlin would be very serious. By June 30 MSA will have programmed C/P equivalent of over $100 million for economic recovery in Berlin in fiscal year 1953. Under present NSC decision, [3] no new money could be programmed 53/54, as Germans already aware our plans program funds now on hand prior June 30. Berliners will not regard disbursements in fiscal year 1954 of funds programmed in fiscal year 1953 as equivalent new programs. Stockpile expenditures are not ordinarily publicized. Result will give Berlin public impression of sudden withdrawal US support Berlin recovery. With annual average industrial production at approximately 50 percent of 1936 and unemployment still 250,000, this would be heavy blow. The concept of slow but sure progress under long-term program has been essential ingredient of population and business morale. Without new US aid, many would undoubtedly conclude city condemned to permanent dependence Federal Republic dole at sub-standard conditions instead of being showplace economic achievements of West.

3. Important US economic aid Berlin lies not entirely in amount thereof but also in psychological bolstering effect and impetus which MSA C/P loans give Berlin general economic and business climate. Willingness Berlin and other entrepreneurs invest in new or expanded capacity Berlin depends to large degree on their assessment future development general Berlin economy. Impression that long-term investment program being abandoned could therefore have serious effect on level non-C/P investment. Also wish point out Berlin's isolated position has led reluctance Federal Republic and foreign buyers place orders Berlin. This reluctance,

---

[1] Transmitted in two sections and repeated to Berlin and Paris.

[2] Not further identified.

[3] Presumably the reference is to NSC 149/2, "Basic National Security Policies and Programs in Relation to Their Costs", which was approved by President Eisenhower on Apr. 29. For text of this paper, see vol. II, Part 1, p. 305.

which is being overcome only with great difficulty, would be increased if it even appeared US support Berlin being reduced. Investment projections presented Tomus A–168 of April 3 [4] are estimates only and not based on public or private commitments. These estimates reliable but predicated on assumption new C/P investment funds would be available to supplement public and encourage investment private funds since no other source long-term credits available. If no new dollar aid Berlin 53/54, total new non-C/P investment would probably be considerably less than level foreseen Tomus A–168. Result would be shortfall from employment targets for 53/54 set in long-term program.

4. We assume was not NSC intention US permanently withdraw financial support from Berlin investment program. Essentiality program is agreed all quarters. Program, based on belief that long-term economic responsibilities resulting Allied occupation Berlin can only be reduced by economic recovery of Berlin, has from inception been designed reduce necessity US expenditure this area. We still believe this proposition sound, and that failure to follow through on advantages achieved initial segments long-term program would constitute serious error. We assume NSC decision make no new dollars available 53/54 based on belief that because of availability undisbursed funds, failure make fresh injection would not imperil existence program. Analysis shows, however, continuation program 53/54 without new dollar allocation would utilize pipeline entirely during 53/54 and bring program to complete halt. Even assuming fresh appropriation 54/55, hiatus between appropriation and initial disbursement would probably exceed 6 months and total expenditures required would probably exceed those involved in an orderly continuation of program on long-term basis. Failure continue program might eventually necessitate considerable US expenditures over indefinite period for enlarged work relief program.

5. Failure grant new funds Berlin investment would also mean substantial abandonment equity financing program proposed Wood report. [5] Unprogrammed funds now on hand insufficient to finance even initial program equity financing proposed Tomus 616, [6] which was supported MSA/W in Musto 616, [7] and which has been agreed Federal Republic.

6. If our objectives Berlin to be achieved see no alternative to continuation of investment program. As indicated by all our past

---

[4] Not printed. (MSA–FOA airgram files, lot W–140, "Bonn Tomus")
[5] See footnote 3, Document 570.
[6] Not printed. (MSA–FOA telegram files, lot W–130, "Bonn Tomus")
[7] Not printed. (MSA–FOA telegram files, lot W–131, "Bonn Musto")

and present economic analysis, we do not believe orders alone, through US military or otherwise, can ever make Berlin independent and self-supporting without accompanying investment to create and modernize capacity. Berlin industry losing many orders present time solely because inadequate financial resources grant acceptable credit terms. Permanent solution depends general strengthening Berlin economy.

7. Continuation US support of program essential. No prospect Federal Republic providing funds for program since already spending DM 600 million per year to subsidize city budget and bearing 85 percent of Berlin refugee costs. Total annual amount Federal Republic contribution to Berlin now DM one billion, or 300 percent of what it was three years ago. If we proposed that Federal Republic take over program Federal Government position would be that they have already a budget deficit situation and could not find money for increased government expenditures of any kind. (We are running into this German position on 12 month stockpile goal.) Taxes, social insurance contribution and Lastenausgleich, which Federal Republic claims takes 37 percent of GNP, have direct effect on chances of increasing public expenditure. Federal Republic attitude stems not from lack of sympathy with Berlin problem, but from preoccupation with general West German problems. We urging Federal Republic care for refugees, make defense contribution, enlarge stockpile and pay increased maintenance costs. Must always realize Berlin occupied area not normal land of Federal Republic, and city must compete for assistance with politically organized refugees and other pressure groups in West Germany. For example, powerful city of Hamburg has substantial unemployment problem and is determined to have Federal help. Federal Republic aid to Berlin now absolutely and relatively far greater than aid provided other West German distressed areas. Consequently, definitely cannot hope for increase in Federal Republic support particularly for investment, which is long run problem, in view other claims against Federal Republic funds which are of immediate pressing nature.

8. Disagree implication Robertson report [8] that large amount idle capacity exists in Berlin which can be activated without further investment. Mission studies indicate bulk unutilized capacity due either bottleneck critical machinery which must produce from 16 to 24 hours per day in order that rest plant operate one shift, or fact capacity now non-competitive and obsolete. Removal such impediments to increased production and sales, plus construction of new types productive capacity, were purposes of all past invest-

[8] Not further identified.

ment. Berlin Senat, Chamber of Industry and Commerce, and Wood report all estimate existing capacity adequate to employ no more than 25,000–35,000 additional workers without construction new capital equipment. Assuming this could be achieved, increase would approximate growth of labor force. It would provide no decrease in unemployment. Additional employment objective in long-term program is 135,000. Significant that Wood report also foresaw need additional billion DM investment aid in Berlin over next 4 year period.

9. HICOG and Mission, therefore, recommend that NSC decision be reconsidered. We cannot conceive more important program from standpoint of maintaining the Western position in Berlin and US prestige and influence in Germany. We urge minimum $35,000,000 be made available for economy assistance Berlin fiscal year 1954. This figure represents considerable reduction from $60,000,000 originally considered necessary, but believe program could be maintained at adequate level through reduction of outgoing pipeline to approximately DM 80 million on June 30, 1954. This would permit gradual tapering off program if final decision reached discontinue, and would avoid shock of immediate cessation result no new aid at all 53/54.

CONANT

No. 577

103 MSA/5–853: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State

SECRET PRIORITY BONN, May 8, 1953—8 p.m.

4868. Pass MSA. Immediate attention of the Secretary and Mr. Stassen. I understand from recent telecon with Washington [1] that no appropriation for Berlin is contemplated for FY 54. Political effects of this decision are in my judgment of even greater importance than the economic effects described in Bonn to Washington Tomus 671 [2] which represents considered judgment HICOG and MSA Mission. Harris and I have carefully reviewed this telegram and fully agree with it. Despite what might be said about undisbursed amounts in the pipeline or the presently unprogrammed amount of DM 111 million, which will be committed before July 1, it is my view that our action will, nevertheless, be interpreted in

[1] Not further identified.
[2] *Supra.*

Berlin and elsewhere as a decline in American interest in Berlin. Aid funds for refugees (which will be much less than Chancellor anticipated and has publicly implied would be received as a result Washington conversations [3]) will be spent in Federal Republic area and not in Berlin. Continuation of aid to Berlin has never to my knowledge been questioned previously; on contrary, all our public statements (as well as internal projections) have clearly set forth our intention to assist in supporting Berlin's economy. The most recent expression of our view was the communiqué on the talks with the Chancellor. [4]

In my discussion Bureau Budget and Mr. Ohly in Washington in April, [5] basic policy of continued MSA aid to Berlin was never challenged, so I had no chance to explore alternatives. If we now have to tell Berlin authorities amount available for programming FY 54 will be so much less than this year the political shock of this substantial reduction may be very serious. You will appreciate we have had no time to prepare the Federal Republic and Berliners for any such drastic reduction; on contrary, we have constantly reassured them of our continued support.

Urgently request NSC reconsider and allow at least equivalent of additional 150 million DM from new appropriation for programming FY 54 and proceed to careful exploration all alternatives for support Berlin industry and alleviation unemployment problems for FY 55.

There is no need to restate the importance of Berlin to the Western World and its bearing upon the future of our policy in Germany. Despite their own remarkable determination Berliners instinctively understand that, cut off as they are, their ability to survive depends on the continued support of the West and particularly of the US. Although unemployment is still 25 percent of labor force, morale has remained high because there has been steady economic progress, hope in the future, and faith that the US will assist the Berliners own efforts to reduce unemployment to a more bearable level. I know of no other case in the West in which unemployment has been of such serious proportions without having given rise to internal disillusionment normally expressed by an increase in Communist strength. The effects of unemployment in Berlin, serious enough in themselves, are compounded by unceasing political pressures. US economic assistance is essential in itself, but, more important, it is the most tangible evidence of our continued support of

---

[3] Regarding Chancellor Adenauer's visit to the United States in April, see Documents 177 ff.

[4] Document 185.

[5] No record of this discussion has been found in Department of State files.

Berlin and holds out to the Berliners definitive hope in their economic future.

It seems to me contradictory on the one hand to assure our physical position by stockpiling and on the other to risk weakening the Berliners moral strength through the elimination of aid. Moreover, contrast of large sums appropriated for stockpiling (which is not popular or fully appreciated by Germans), as against no aid appropriation, can create impression here that we regard blockade as imminent and are concentrating on making provision therefor, instead of provision for normal economic development of Berlin. (This is not to imply my opposition to stockpiling program.)

I fully appreciate the problems you are facing budgetary-wise, but I hope you will agree that we must find some way to appropriate a sum which, even though it may be relatively small, will give evidence of the continuation of our economic support for Berlin. [6]

CONANT

[6] On May 11 Secretary Dulles replied that at his urging the NSC had added $50 million for industrial stockpiling to $15 million for refugees in the allocation for Berlin. He added that since West Germany was in the best shape of the Western Allies, and since drastic cuts were being made in the U.S. defense budget, it was "quite impractical" to get Congressional approval for a contribution to the normal economic development of Berlin which West Germany was able to provide. (Telegram 5156 to Bonn, 103 MSA/5-853)

No. 578

762A.0221/5-2553: Airgram

The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, May 25, 1953.

A-1891. The Department has been giving thought to the Tripartite Declaration on Berlin [2] and the question of putting it into operation before the effective date of the conventions between the Three Powers and the Federal Republic. [3]

According to information available here, the text of the Declaration was published on May 26, 1952, together with a statement by the Allied Kommandatura that it was intended to replace the Statement of Principles Governing the Relationship Between the

[1] Drafted by Auchincloss and cleared with Bonbright, Riddleberger, and L/GER. Repeated to Berlin, London, and Paris.

[2] Document 538.

[3] Document 51.

Allied Kommandatura and Greater Berlin of May 14, 1949,[4] and would take effect at the same time as the contractuals, but was not a part of them. See A.H.C. Press Release No. 443.[5] We have no record of subsequent action with respect to the Declaration, except the meeting of the General Committee and a Berlin delegation on August 19, 1952, reported in GEN/Memo(52)1.[5] At this meeting the German representatives asked that the Declaration be promulgated before ratification of the contractuals, and the chairman replied that, while this could not be done, the High Commission was "prepared to consider whether, when the Bonn Conventions have been ratified by all the parties to them and if there is undue delay by other powers in ratifying the EDC Treaty, a meeting might be held by the Commandants with the Berlin *Senat* to consider the situation, after which it would be determined whether arrangements might be made to put certain provisions of the Declaration on Berlin into force prior to the entry into force of the Declaration." Such an assurance would have corresponded to that given the Chancellor with respect to the contractuals in a letter dated May 26, 1952;[6] it does not appear, however, that the assurance ever received a more formal expression, or that any question involving the Declaration has come before the High Commission or the Kommandatura since that time.

The Department wonders whether it might not be worthwhile for the Three Powers to reconsider their decision to withhold the Declaration until the conventions become effective. Although the Declaration was prepared in connection with the contractuals and even contains references, in the preamble and Article V, to the "new relations" between the Three Powers and the Federal Republic which are to be established by the contractuals, there is no inherent connection between the Declaration and the agreements. The Declaration is not a part of the agreements and does not depend upon them in any way for its effectiveness. There is no provision in the agreements which is a necessary prelude or condition to anything in the Declaration. The Declaration and the conventions have to do with different parts of Germany, and the application of one is wholly independent of the application of the other. In these circumstances, the Department would consider it arbitrary for the Three Powers to persist in relating the Declaration to the agreements, when the latter have been delayed for so long, and may continue to be delayed, for reasons which have nothing to do with the substance of the Declaration or with Berlin itself.

---

[4] For this statement, see *Documents on Germany, 1944–1985*, pp. 262–264.
[5] Not found in Department of State files.
[6] Document 58.

While the Declaration was being prepared, it was thought of as the nearest equivalent, for Berlin, to what the conventions were for the Federal Republic. In other words, Allied authority in Berlin would be reduced as far as possible, just as it would be in Western Germany, and only the different circumstances in each area would keep the reduction in authority from being the same. In point of fact, however, the High Commission has progressively limited the exercise of its authority, in some cases by completing programs, in others by transferring functions to the Germans, so that the situation in Western Germany has changed since the contractuals and the Declaration were written, and the Federal Republic now has, even without the contractuals, much greater power and independence than Berlin would have with the Declaration. There has been no corresponding change for Berlin. If the Declaration continues to be deferred for the contractuals, it is bound to seem old and stale and insufficient when it finally comes, while if it were issued now, particularly if issued freely, it might have some significance as a concession, or gesture, made by the Three Powers to meet the wishes of the Berliners.

The French should not consider such a step to be in some way an anticipation of the contractuals; it would really be an attempt to keep an unrelated subject from being tangled up in those agreements. Besides, the very fact that the Declaration would become operative at a different time from the contractuals should serve to emphasize to the French (and possibly the Soviets) that the contractuals have no connection with Berlin, and that Berlin has a separate status from that of the Federal Republic.

The Department sees no technical or formal difficulty in promulgating the Declaration now, with the possible exception of the references it contains to the "new relations" which have not yet come about between the Three Powers and the Federal Republic. These, however, might be dealt with (if at all) either by amendment of the text, or, since that might invite further modifications, by a statement to be issued by the Kommandatura when the Declaration is made effective.

The Department would welcome advice whether promulgation of the Declaration at this time would be well received by the Berliners and would therefore constitute a political gesture in the interest of the Three Powers. If Berlin Element believes this would be the case, and if HICOG agrees, it is suggested that the matter be explored with the British and French in Berlin, with a view to obtaining their consent to the final issuance of the Declaration at an early date.

SMITH

No. 579

Editorial Note

On June 17 riots and demonstrations broke out in the Soviet Sector of Berlin and in East Germany. For documentation on these events, see Documents 713 ff.

No. 580

762A.0221/8-453: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET BONN, August 4, 1953—6 p.m.

511. Re: Department to Bonn 76, repeated Berlin 18. [2] We fully agree with policy objectives on Berlin's relations with Federal Republic and Allies as outlined A–1529 and A–1891 [3] and ably discussed and argumented in Berlin D–1053. [4]

While agreeing to these objectives, their promotion presents problem of proper tactical handling and timing. In this respect factors to be considered are (1) political and psychological pressure from German and Berlin authorities, (2) possible impact of changes on Allied-West German relations and (3) effect of changes on Franco-German relations. These raise following considerations. Events and developments of most recent past and immediate future have and will distract attention even of most interested Berliners from problem. With expected increase West German pressure to put all or part of contractuals into effect prior to ratification, consideration should be given to what extent some of advocated measures in Berlin might furnish political arguments in Federal Republic. Finally, because of expectation that post election period will be devoted to renewed effort to bring about solution of some major issues of Franco-German relations, e.g., Saar, EDC, we are inclined to subordinate for time being Berlin matters to over-all Franco-German problem, whereby we might have to decide from time to

---

[1] Repeated to Berlin.

[2] Telegram 76 asked whether HICOG had any comments or recommendations on the fundamental aspects of U.S. policy with respect to Berlin. (762A.0221/6–2253)

[3] Documents 574 and 578.

[4] This 12-page despatch transmitted some observations on certain problems relating to Berlin's future political status and enclosed a three-page paper giving the background on the Tripartite Declaration of Intent. (762A.0221/6–2253)

time whether avoiding or applying pressure on French in Berlin may prove to be more effective tactics.

In order to achieve all recommendations of Berlin D–1053 two ways appear to be open;

1. Fundamental review of Berlin's status and related problems with our Allies which, in order to be at all successful, would have to be initiated on government level.
2. Piecemeal approach to be handled on Kommandatura and high commercial level.

We favor second approach for time being and even there we feel that we should proceed with caution in view of above consideration.

Two aspects of Berlin problem will definitely come before High Commission in immediate future: Application of postal law and constitutional court question. On both we expect to have fight with French but eventually hope to come to agreement. In addition to these problems which will be brought to us we suggest pushing question of revised rules of Kommandatura procedure at least in order to have it referred from Kommandatura to High Commissioner level where it can be either resolved or held as possible bargaining weapon with French on other major issues due to arise this fall. Revised rules of procedure has advantage of being "internal" matter and not as apt to be associated with contractuals as declaration. It would alleviate some red tape in Kommandatura and in *Senat*-Kommandatura relations. It would not eliminate French veto but would make it politically less feasible. If carried through now might later help argument in favor of a fundamental revision of declaration.

We suggest to leave other problems in abeyance for time being. [5]

CONANT

---

[5] On Aug. 12 the Department of State concurred in the piecemeal approach advocated in this telegram, and stated further that the question of the Tripartite Declaration on Berlin was still under consideration although it seemed inadvisable to try to put it into effect at that time. (Airgram CA–706 to Bonn, 762A.0221/8–1253)

No. 581

711.11 EI/8–1253

Mayor Reuter to President Eisenhower [1]

[BERLIN,] August 10, 1953.

MR. PRESIDENT: Mr. Leo Cherne forwarded to me the picture taken in Washington in March 53 when you were kind enough to receive me. [2] It was very kind of you to write on this photograph a personal dedication in remembrance of my visit to you. Thanking you for your kindness I should like to avail myself of the opportunity to express my warmest thanks for the food gift which we are at present distributing to the people of the Soviet Zone and East Berlin. [3]

As a matter of fact, this gift is the most effective way of assisting these really destitute people. Everybody attending the distribution of the food is deeply touched by the patience, with which these people wait for hours, by their poor clothing and also by their joy upon receiving their share. We shall do all we can in order to organize the distribution of the figt [*food*?] so that as many of these distressed people as possible are given an opportunity to participate in this relief program. There is no doubt that the distribution of food contributes much to demonstrate to these people that they have not been forgotten by the free world and that the free world backs them and is determined to help them wherever possible. Every food parcel so distributed strengthens the natural and untearable ties between these people living under unbelievably difficult economic and political conditions and the free world.

In order to cope with the unexpectedly great rush numerous West-Berliners have volunteered their help for the distribution. This attitude of the people of West Berlin is all the more remarkable as a considerable part of the people of West Berlin is also living in needy circumstances. In spite of every effort made by us there are still 225,000 unemployed who have to live on unemployment insurance and unemployment benefit.

You know that in spite of all difficulties the people of Berlin have never been diverted from their determination to maintain and defend the freedom and independence of Berlin. Without the

---

[1] The source text was transmitted as an enclosure to an unnumbered despatch from Berlin dated Aug. 12, which states that the enclosure was sent to the White House on Aug. 25.

[2] Regarding Reuter's visit to Washington, see the memoranda of conversation, Documents 570 and 571.

[3] For documentation on the food gift program for the Soviet Zone and East Berlin, see Documents 720 ff.

unparalleled attitude of the Berliners during the last years of revolts of June 16 and 17 which attracted the attention of the whole world would have never happened. Therefore, I should like to express my conviction and hope that, the stronger and healthier Berlin is as a whole, the greater will also be the power radiating from the City into the surrounding Soviet Zone. Therefore, the reduction of the number of unemployed in Berlin is an urgent political and moral concern of the entire free world. If we succeed in creating before long another 50 to 100,000 places of work we shall be in a position to add another decisive victory to the moral and political success achieved by the events of June 16 and 17 and the distribution of food which is still being carried through.

If, besides expressing my thanks for the kind dedication you wrote on the photograph, I spoke of the sorrows and needs of Berlin, I have done so, Mr. President, because I am well aware of the understanding and sympathy you have always shown for the needs of this City and its people.

With the renewed assurance of my highest esteem, I remain, Mr. President,

Yours sincerely,

ERNST REUTER

No. 582

862A.00/8-2653

President Eisenhower to Mayor Reuter [1]

CONFIDENTIAL [WASHINGTON, August 22, 1953.]

DEAR MAYOR REUTER: Thank you very much for your kind letter of August tenth. [2] I also am most gratified by the success which the cooperation of the Berlin authorities, the Federal Republic, and the US Government has achieved in bringing urgently needed food as tangible evidence of our friendship to the unfortunate people of Soviet Occupied Germany. I am impressed with the overwhelming response and with the courage displayed in the face of the many obstacles which the Communist authorities have put in the way of these people. It is clear to me that the people of Soviet Occupied

[1] This message was transmitted to Berlin in telegram 137, Aug. 26. Another message to Berlin on the same day, CA-1037, stated that the letter was dated Aug. 22, and instructed the Berlin Element to deliver it without delay. (862A.00/8-2653) The text of the letter was drafted in the Department of State and transmitted to the White House on Aug. 20 for approval. (Memorandum by Smith, Aug. 20, Secretary's Letters, lot 56 D 459, "Memo for the President")

[2] *Supra.*

Germany understand that their welfare deeply concerns the free world which, as you point out, is determined to help them in every way possible.

The American people have not lost sight of the serious difficulties with which the people of West Berlin must cope so long as they are separated from their fellow Germans in the East and West, and cannot enjoy free communication and unimpeded access to supplies of raw materials and markets for their production. While great progress has been made in raising the level of economic activity and employment in West Berlin, we all realize that much remains to be done. The present investment and work relief programs in Berlin were, I am informed, carefully developed in the light of the needs of Berlin and the ability of the Berlin authorities, business and labor, to assist in the creation of additional jobs in existing or new enterprises.

I have no doubt that the Berlin authorities can improve present programs in consultation with the Bonn authorities and the Office of the US High Commissioner. If proposals can be devised which would give promise of a further substantial increase in employment in Berlin, the US Government would be prepared to explore with the Federal Republic what further steps the two Governments might find it possible to take to achieve this objective. [3]

[DWIGHT D. EISENHOWER]

[3] After a subsequent delay because of some reservations by Conant and due to the Federal Republic elections on Sept. 6, this letter was delivered to Reuter on Sept. 16 and released to the press, together with Reuter's letter to the President (*supra*), on Sept. 18. Documentation on the delay in the delivery is in file 862A.00. For text as released by the White House, see Department of State *Bulletin*, Oct. 5, 1953, p. 458.

No. 583

762.2/8-1353

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Secretary of State [1]

SECRET [WASHINGTON,] August 31, 1953.

Subject: Proposal to transfer Capital of German Federal Republic to Berlin

At the request of your office I herewith submit my own judgment on the proposal.

[1] The source text bears a handwritten notation which indicates that Secretary Dulles saw it.

I can see psychological warfare advantages of a superficial character in announcing that the United States proposes or would support a proposal to move the capital of the Federal Republic from Bonn to Berlin. Berlin remains the symbol of German unity and United States support thereof would presumably be regarded by some Germans as a concrete move in that direction. It would also sharpen the contrast in a divided city between a puppet rule and a democratic government.

The disadvantages, however, to my mind are controlling. First of all, I understand that available evidence is that the Federal Republic Government itself would oppose a move to West Berlin which is not *de jure* a part of the Federal Republic. We would also be giving serious hostages to fortune in the person of the German Government in the event of trouble. Finally, any symbolic virtue would be lost if it became equally the symbol of disunity between the United States on the one hand and the British and the French on the other. Available indications are that the British and the French would strongly oppose this move and it is not a matter, in my judgment, on which we could or should make a unilateral proposal opposed by them.

Accordingly, I do not recommend that we pursue this idea further at this time. This is GER's recommendation (see attached memo [2]). The very furthest I think we should go would be to informally sound out the British and the French to ascertain their present views in light of developments since June 17. If by any chance their reaction were favorable we could then pursue it informally and discreetly with the Chancellor.

---

[2] No memorandum was found attached to the source text. A copy of the memorandum under reference, dated Aug. 21, is in file 762.2/8-2153.

No. 584

S/S-NSC files, lot 63 D 351, NSC 132 Series

Progress Report on the Implementation of NSC 132/1, by the Secretary of State [1]

TOP SECRET [WASHINGTON,] September 10, 1953.

1. NSC 132/1 was approved as Governmental policy on June 12, 1952. It is requested that this Progress Report, dated September 10,

---

[1] Drafted by Montenegro and Carlson of GPA and cleared in draft with EUR, G, S/P, S, R, the Department of Defense, and CIA. Attached to the source text were a cover sheet and a summary of the report. An earlier draft of the progress report,

Continued

1953 be circulated to the members of the Council for their information.

2. The key policy decisions of NSC 132/1 is the conclusion that, in the view of the United States, the maintenance of the Western position in Berlin is of such importance to the Western powers, and the consequences of its loss would be so serious, that the Western powers should not voluntarily abandon the city under communist pressure even though the resulting situation may involve great risk of general war. Collateral to this is the decision that the Soviet Union should be held responsible for any communist action against the Western position in Berlin.

3. NSC 132/1 prescribes a number of courses of action to be taken in preparation for, or to counteract, Soviet or satellite measures against Berlin and our position in, and access to, the city. These courses of action are divided into groups related to hypothetical situations of progressively increasing severity, ranging from a situation in which Western access to Berlin is not seriously impeded, through a blockade situation, finally to a Soviet or satellite armed aggression against our forces in Berlin. The present status of these courses of action, or of preparations therefore, is taken up in this report.

4. NSC 132/1 requires that the recommended courses of action be reviewed should the Soviets take steps to give East Germany the semblance of autonomy. Although the Soviets have taken steps to increase the satellite character of East Germany, there does not appear to have been so far a sufficiently great transfer of authority to justify the required review at this time for this specific reason. The tendency of the Soviets to grant to the East German regime an increasing measure of apparently autonomous authority is, however, under observation, and our authorities in Germany have been requested to study its development and implications for our Berlin position and otherwise. It is not clear yet what effects the separation of Soviet political and military authority in Germany, announced on May 28, 1953 will have in this regard. [2]

5. The riots, demonstrations, and strikes which have occurred in the Soviet Zone since June 17 and the success of the United States food assistance program to the East Germans, may have a bearing on NSC 132/1 and its implementation. The disorders would appear to make any latent possibilities of eventual attack upon West Berlin by East German para-military forces even more remote. The

---

which was transmitted to Secretary Dulles on June 26, is the same in substance, but omits any reference to either the riots in East Berlin or to the food program. (762.00/6–2653) NSC 132/1 is Document 547.

[2] See Document 709.

disorders and the food program have underscored the profound long-term importance of Berlin's continued existence as a Western outpost. Conversely, the disruptive and irritating influence of the Western presence in Berlin upon the implementation of Soviet policy in the Soviet Zone has been more fully demonstrated. It is significant that despite this fact, of which the Soviets are well aware, no action of any consequence has been taken against Berlin or against access from Western Germany, since the outbreak of disorder on June 17. One or more of the following reasons may account for the failure of the Soviets to increase pressure at this time upon the allies in Berlin: (a) undue damage to the current Soviet "Peace offensive"; (b) fear of West German reaction and the realization that action against West Berlin might give new impetus to Western defense measures; (c) the deterring effect of publicly announced commitments of the Western Powers regarding Berlin; (d) fear of failure as in the case of 1948–49 Berlin blockade. Nevertheless, there is no reason to believe that the Soviets' basic incentive to rid themselves of the Western presence in Berlin is any the less and this incentive has probably been strengthened.

The United States and its Allies in Berlin, on the other hand, have adopted certain measures to safeguard our Berlin position during the period. . . . In addition, the food program has been carried out in a manner avoiding outright provocation.

6. Specific action taken, or being taken, to carry out the measures prescribed in NSC 132/1 is set forth below, the corresponding paragraph of the NSC paper being indicated in each instance.

7. *Paragraph 5.* Obtaining Allied Agreement to Courses of Action. Such agreement has been obtained regarding the twelve month staggered stockpile. Some difficulty is still being encountered, however, in persuading the Federal Republic to contribute its share. While no firm Allied commitments have been made with respect to participation of their aircraft in the event another airlift becomes necessary, both the British and French have indicated in general terms what their expected participation would be. As described below detailed tripartite discussions in Germany on airlift planning have been initiated and discussions of other military and politico-military courses of action envisaged by the NSC document are expected. Allied agreement will be sought as necessary. Both the British and French have shown reluctance in planning countermeasures and in agreeing in advance to specific reprisals. They also have opposed the use of countermeasures proposed by the United States on several occasions. Generally speaking, however, the Allies have responded well to our proposals for joint planning for Berlin, and in regard to airlift planning have even shown considerable initiative. The Federal Republic, likewise, after resisting

the concept of a twelve month stockpile, now appears to favor the idea although still quibbling over finances.

8. *Paragraphs 6 and 9.* Measures to Decrease Berlin's Vulnerability. The situations considered and action recommended in NSC 132/1 are confined to those relating to possible Soviet or satellite interference with access to, or aggression against, the city. The progressive isolation of West Berlin from the surrounding Soviet Zone, and to a lesser extent from the Soviet Sector of the city, is not discussed in NSC 132/1. This process of sealing off West Berlin is now so far advanced that practically none of the city's normal traffic with its hinterland has survived, and while access to the East Sector is still relatively unhampered, strict controls imposed by the Communists have reduced shopping across the boundary, in both directions, to a bare minimum. While this growing isolation, which is being further developed despite ostensible conciliatory gestures on the part of the Soviets in other areas, has had some undesirable effects on the economy and morale of West Berlin, it has not in the opinion of our authorities seriously affected the security of the city or our position there. In fact, it may well be that the progressive severance of economic and other ties with the surrounding area has actually made Berlin less vulnerable to the shock of a renewed blockade or other disruptive changes in the *status quo,* such as the recent upheaval in the Soviet Zone, and has made possible a gradual adjustment, economic and psychological, to isolation and self-sufficiency supplemented by Western support. Measures carried out in accordance with NSC 132/1 to decrease West Berlin's vulnerability to blockade or attack, include the following:

(a) *Stockpile Expansion.* Stockpiling targets have changed several times in the past year. In compliance with NSC 132/1's directive, they were changed in the summer of 1952 from a 6-month "balanced stockpile" goal (which assumed no airlift), to a "staggered stockpile" goal designed to maintain West Berlin's population for a year if supplemented by an airlift as planned. Coal and other items required in large quantities, or otherwise difficult to transport by air, are being stockpiled up to the level of a full year's requirements. Other less bulky essential provisions are being accumulated for lesser periods, depending upon their cost, air transportability and other factors. Assessment of the city's requirements in both categories have been revised upward in the last few months, in view of population changes and increased industrial activity. In general, food and fuel stocks are approaching their revised targets. According to the report on Berlin stockpile, dated May 16, 1953,[3]

[3] Not found in Department of State files.

controlled coal stocks totalled 1,365,000 metric tons, or 68% of the new 12-month target. In addition, there are private coal stocks amounting to 833,000 metric tons, exceeding the 650,000 metric tons established program by 28%. The status of the food stocks as of May 16, 1953, based on the 12-month staggered program is as follows: Fat, meat, dry skimmed milk and salt range between 94% and 111%; dehydrated potatoes 81%; dry whole milk, 71%; grain and flour, cereals, sugar coffee substitutes average about 50%. Medical supplies on hand are about 77%. Some difficulty has been encountered in persuading the Federal Republic to fulfill its obligations with regard to the financing of 12-month stocks of grain and certain other items, as well as storage is being overcome; it is anticipated that United States financing of the raw material stockpile out of FY 1953 funds, now virtually assured, will be particularly effective in persuading the Federal Republic to shoulder its part of the burden. Because priority was given to the food and fuel stockpiles indispensable for the city's survival in the event of a blockade, the stockpiling of industrial raw materials and construction materials has lagged. To a lesser extent the difficulty of assessing the needs of the city's industry under blockade conditions, and of selecting the most appropriate materials for stockpiling in terms of bulk, cost, need and air transportability contributed to the delay. The delay and uncertainty in relation to the raw materials stockpile caused some concern because of the growing conviction that the Berlin population, particularly in view of the marked economic recovery during the past year would, for psychological reasons, find it more difficult than in 1948–49 to endure a prolonged blockade unless considerable industrial activity were maintained and unemployment were kept within bounds. Moreover, it seems reasonable to assume that the very capability of maintaining the city's economic activity at almost present levels would serve as one of several possible deterrents to imposition of a new blockade, or that the demonstrated ability to keep the city going would help to persuade the Soviets to withdraw a blockade if one were imposed. With the necessary funds available, the stockpiling of industrial raw materials and construction materials is expected to move ahead rapidly. The Departments of State and Defense have authorized HICOG and the appropriate military authorities in Germany to study the possibility of increasing the stockpiles of the United States garrison and Allied garrisons in Berlin, so that the personnel of the three Allied powers would not, in the event of a blockade, be obliged to draw upon the stocks accumulated for the city's population. An unforeseen, but extremely valuable, use of the stockpile occurred when food stocks were drawn upon to distribute food parcels to the

East Germans. Not more than 8% of these stocks are to be so used and immediate replacement is being made.

(b) *Airlift Capabilities.* There has been some increase in the number of aircraft available for an airlift, and plans to use British Zone bases soon after an airlift is instituted will have the effect of increasing airlift capacity and of reducing both flying time and hazards. According to present calculations of our military authorities in Germany, an airlift having a capacity of 1248 tons daily could be instituted on short notice. Allied expected capabilities, as communicated to us recently, are as follows: The French stated that they could make available six DC–4 aircraft, which could be made available immediately for "passenger evacuation purposes", but would take some time to convert to cargo carriers, an operation that would be further complicated by the fact that these are not French Air Force airplanes but chartered aircraft. The French have indicated definitely that they have no plans for furnishing military cargo aircraft. The British have stated that, according to present RAF planning, 25 Hastings aircraft would be put in operation by the end of the first six weeks of blockade. They would have a combined minimum capacity of 8400 tons per month. If available commercially, other aircraft would be obtained under charter, principally for tanker service. Further attention is being given to these estimates of Allied participation in the forthcoming tripartite discussions of politico-military courses of action. As to present capabilities in general, there is every indication that, barring effective Soviet interference with an airlift, or other presently unforeseen demands on our air transport potential elsewhere, an airlift capable of supplying Berlin adequately for about a year, once the twelve-month staggered stockpile target has been reached, could be instituted immediately and reach peak strength in 180 days. Even if Soviet interference or other circumstances should prevent utilization of half of the projected airlift, Berlin could, with its existing stockpile, hold out for several months. This would, however, mean a lower level of subsistence and industrial activity, and rapid depletion of the stockpile. The Defense Department and its representatives in Germany are implementing the recommendations of NSC 132/1 regarding maintenance of the airfields in Berlin, and making surveys with regard to their improvement.

In the current quadripartite air safety talks in Berlin, the representatives of the western powers are taking care to accept no Soviet proposals or conditions that could hamper the operation of a full-scale airlift.[4]

---

[4] Quadripartite air safety talks in Berlin had begun on Apr. 7, 1953, and continued in a desultory fashion through the summer. Among the proposals advanced by

Continued

(c) *Airlift Planning.* CINCEUR (now CINCUSAREUR) has prepared two plans for the reestablishment of the Berlin airlift. One of these is known as the European Command Alternate Operations Plan for Berlin Airlift (Reduced), and is a capabilities plan based upon the utilization of forces and facilities presently available in the theater. This plan is capable of being implemented on short notice and envisages an airlift capacity of 1248 tons daily. The second plan is known as the European Command Operations Plan for Berlin Airlift, and requires considerable augmentation of forces and facilities from the United States. It envisages a full scale airlift operation comparable to that of "Operation Vittles" which supplied Berlin during the 1948–49 blockade. This plan provides for a build-up to approximately 6500 tons daily. Both of these plans are reviewed periodically and are capable of being implemented should the need arise. It is envisaged that in an emergency the Reduced Plan will be implemented immediately and continue in operation until such time as forces and facilities are available for full scale operations. On January 16, 1953, USCINCEUR was directed to assume the responsibility for airlift planning and at the same time was furnished copies of an Air Force *concept* for the air transport phase of an airlift operation. This concept envisages conducting full scale operations from airfields in the British Zone of Germany into Gatow and Tegel Airfields in Berlin using C–124 aircraft. USCINCEUR is studying this concept and surveying the facilities required with a view toward revising the current airlift plans. In the event this new concept is considered feasible, plans will be revised accordingly. The existence of this concept does not, however, in any way affect the capability of implementing either of the two existing plans. On the recommendation of U.S. authorities in Germany, the Departments of State and Defense are reviewing the correlation of airlift magnitude to the Berlin stockpile and allied participation in an airlift. Further planning will be based on the conclusions reached.

(d) *Berlin Police Force.* The strength of the West Berlin police force has been steadily increased during the past year, and now stands at over 15,000. Force "B", an emergency police unit created in October 1950, is nearing its planned strength of 3,000 men in three mobile units equipped with vehicles and arms. The completion of barracks for this special force will make it possible shortly to recruit the last 300 men from among many applicants. Training

---

the Soviet Delegation was that the Western powers give up their three air corridors to Berlin in exchange for a single corridor of expanded width. This proposal was rejected during the course of the talks. Documentation on the air safety talks is in file 762.0221.

is progressing well. . . . As a result of the kidnapping in July 1952 of Dr. Linse, a prominent anti-communist in West Berlin, a number of steps have been taken by the Allies and the Berlin Government to strengthen precautionary and other security measures designed to protect the West Berlin population.

(e) *Berlin Command.* On June 24, 1952, the Secretary of State and the British Foreign Minister agreed in London that a simplification of the military command structure in Berlin should be sought.[5] The necessity of unifying the military command in Berlin, at least during periods of crisis, has long been recognized, and is now again being considered by the Defense Department and our authorities in Germany with a view to strengthening and better coordinating the military defense organization of the three Allied powers in West Berlin. The Defense Department has taken up the matter at a high level in Washington with British military representatives, and it is an item on the agenda of the forthcoming tripartite politico-military discussions regarding Berlin. The question of Berlin military command is related to three other interrelated unresolved issues now being explored by the Defense Department and the United States military authorities in Europe, namely (1) the status of the Western Allied forces in Berlin in relation to SHAPE, (2) the relationship of the Berlin Command to NATO commanders with regard to questions of planning for Berlin, and (3) the role of the Berlin forces in the event of general hostilities. Question (1) is being studied in the Department of Defense. The United States position regarding points (2) and (3) has been that (1) West Berlin is a special area for which the United States, the United Kingdom and France are responsible and is not, nor should be made, subject to NATO authority; (2) the forces in Berlin are to defend the city in the event of hostilities, and are not to attempt operations outside the city in support of Allied forces to the west. The British and French, according to our military authorities in Germany appear to hold opinions opposing the United States positions in each instance. While there seems to be some chance that these issues will stand in the way of the politico-military planning for Berlin, an effort will be made to persuade the Allies to accept the United States positions, and if this proves difficult to proceed with as much as possible of the planning not affected by differences of opinion.

(f) *Berlin's Economy.* With nearly 235,000 unemployed (approximately a quarter of the city's labor force) and with exports out of Berlin covering only two-thirds of the value of imports, Berlin is

---

[5] See Secto 3, Document 549.

understandably still in need of external aid. An investment program to which the United States has contributed substantially, over the last four years has done much to accelerate Berlin's economic recovery, to inspire confidence in Berlin's future, and to deter the flight of capital and industry to Western Germany. A decision of the NSC on April 28, 1953, [6] which determined the manner in which aid would be distributed between countries, did not provide further funds for this purpose. The United States High Commissioner for Germany in commenting on this decision raised the question whether United States participation in the program might actually be brought to a halt some time in 1954 with possible unfortunate political consequences affecting the strength of our position in Berlin. He feared that this development might be taken as evidence of a decline in United States interest in the city. [7]

Subsequently, the Secretary of State and the Director of Mutual Security agreed that $15 million of the $50 million allocated for Berlin from 1953 appropriations should be used for the Berlin investment program. (This is subject to possible change in the course of negotiations with the Federal Republic.) In the judgment of our authorities in Germany, it will still be possible to fulfill with the remaining $35 million the major portion of the raw materials stockpiling program in Berlin.

The Federal Republic has taken measures, in connection with tax rebates and otherwise, to give preferential treatment to Berlin exports and to seek commercial opportunities for Berlin in negotiating trade agreements with other countries. The Defense Department and other agencies of the United States are examining the possibilities of government procurement in Berlin and have agreed to support offshore procurement up to $25 million.

The influx of thousands of refugees from the Soviet Zone into Berlin, which reached its peak of over 2,000 per day early in March of this year, and later levelled off at about 1,200 per day during May, again began to increase. Since the disorders in the Soviet Zone on June 17, the refugee influx has declined sharply, but this reduction may only presage the possibility of a greater influx in the future. The care and processing of these refugees is an additional burden for Berlin, and many thousands are not evacuated but remain in the city as "nonrecognized" refugees or as Berlin's quota for assimilation, in either case adding to the ranks of the unemployed, homeless and recipients of relief in Berlin. The requested appropriation of $15 million for refugees—the only *new* money

[6] For NSC 149/2, under reference here, see vol. II, Part 1, p. 305.
[7] See telegram 4868, Document 577.

being requested for Germany—will be used, at least in part, to assist Berlin's refugee problems.

While the measures described are expected to aid Berlin substantially insofar as its more pressing needs are concerned, it is possible that there will be serious deficiencies in the financing of these programs in the coming year. If this should occur, an immediate review of resources and needs will be undertaken to inform the NSC as to the weaknesses that may develop and remedies that should be sought. Since Berlin's needs are mainly for Deutsche Marks, the provision of adequate funds calls for a strong negotiating stand on the part of this government in dealing with the German authorities and consideration of the German financial position, including its capacity to borrow abroad.

The United States is endeavoring in the case of Berlin, as in the case of the Federal Republic, to liberalize credit and trade practices, to expand productive capacity, and to improve marketing techniques with respect to Berlin and its products. It endeavors also by assistance, advice, and specialized consultations, to assist Berlin in the reception, processing, care and evacuation of refugees from the East.

With respect to the investment program, in order to assure smooth operation and gradual adjustment to declining United States aid, continued consideration will need to be given to securing adequate DM funds for the second half of 1954, and increased participation by the Federal Republic will have to be sought through negotiation.

In regard to refugee problems, plans must be developed to contend with any renewed upsurge in the rate of arrival and to expend effectively the $15 million grant referred to earlier as well as any other funds made available for this purpose, such as the large loan now being sought by the Federal Government; such plans should give particular consideration to the exact nature of the responsibilities of the different agencies involved. While the position that the refugees are basically a German responsibility should not be abandoned, the magnitude of the problem, its international implications and its bearing on United States policy objectives, make outside assistance imperative. The proportions and nature of such aid do, however, require further clarification. One aspect of the problem is the need, for psychological strategy reasons, to keep Berlin open as a door to freedom despite the burdensome economic, political and sociological consequences for Berlin and the Federal Republic and resulting demands for aid from the United States.

(g) *Berlin Morale.* Recognizing that maintenance of our Berlin position depends to a great extent upon sustaining the will to resist

and confidence in the future of the city's population, our own authorities and those of our Allies have engaged in a series of morale-building efforts, important contributions to which have been statements in regard to our firm resolve to stay in Berlin and to assist the city. Those have been made publicly (and also in private to such persons as Mayor Reuter of Berlin during his visit to Washington in March 1953) by the President, the Secretary of State, the Director of Mutual Security and our High Commissioner in Germany. Public opinion surveys and the reports of our political observers confirm the Berliner's opposition to totalitarianism in any form, and trust in Western intentions and capabilities. During the recent disturbances in the Soviet Zone, and especially on June 17, the Berliners showed great self-possession and in a dangerous situation cooperated thoroughly with Allied authorities, while at the same time making clear their support of the East Germans. A psychological strategy plan for Berlin, in which considerable attention is devoted to actions designed to bolster the morale of the Berlin population, has been prepared by an interdepartmental committee, approved by the Psychological Strategy Board, and distributed to the field for guidance. [8]

To offset the possible adverse effects on Berlin morale that knowledge of a reduction in United States aid might provoke, it will be particularly important now and on appropriate occasions in the future, to reassure the Berliners of the continued interest of the United States in their security and welfare, and to make them aware of the relatively favorable support through foreign aid they will be receiving in comparison to other countries.

9. *Paragraph 7.* Reprisals and developing Western strength and unity.

(a) *Countermeasures.* A tripartite study of potential reprisals applicable in Berlin and Western Germany has been continuing in Germany for several months. The Transport Committee of the Allied High Commission has held discussion with the Allied Kommandatura concerning the countermeasures plan of the latter relating to Soviet interference with surface access to Berlin. British and French reluctance to consider and to agree in advance to projected reprisals was noticeable during these months in the face of diminished Soviet harassment of the means of access to Berlin and the relatively quiet and economically resurgent conditions within Berlin itself; it is anticipated that perhaps even greater Allied resistance to considering and approving such measures will be encountered while the Soviets continue in their present tactical phase of conciliatory gestures. HICOG will continue, however, to press for

[8] Reference is to PSB D-21/2, not declassified when this volume went to press.

further planning in this field and will relate its findings and tripartitely agreed measures to those considered in the report on worldwide countermeasures prepared in Washington by the Economic Countermeasures Working Group of the interdepartmental Economic Defense Advisory Committee. [9] The EDAC report concludes that the economic reprisals available to the Western powers may be more effective as demonstrations of solidarity and firmness of purpose than as economic deterrents. It gives full recognition to the risk of precipitating stronger Soviet counter-actions against Berlin, to the unwieldy nature of reprisals as instruments of policy, and to both the essential need for Allied participation in the application of countermeasures and the difficulty of securing Allied support particularly in the field of trade embargoes and retaliatory actions against Soviet bloc transport and other energetic measures.

(b) *Efforts to Develop Western Strength and Unity.* In discussions with the British and French, and with officials of the Federal Republic of Germany, representatives of the United States have emphasized the need for prompt, firm and united action in strengthening and protecting our Berlin position, and related the question of Berlin to broader efforts to increase Western strength and unity. The United States High Commissioner for Germany and our Commandant in Berlin and their staffs have sought to develop a stronger cooperation among the three Western powers and between them and the Germans. The unfolding program of comprehensive planning to implement NSC 132/1 may provide a broader and more solid basis for such joint efforts. The previously mentioned interdepartmental psychological strategy plan for Berlin recommends specific courses of action designed both to give Berlin the benefit of increased Western strength and unity, and to make use of the Berlin situation to develop such strength and unity on a broader scale.

10. *Paragraph 8.* Convey to Soviets Western Determination to Remain in Berlin. The courses of action prescribed in this paragraph are already being actively carried out. The determination of the Western powers to remain in Berlin, already expressed clearly in the May 27, 1952 Tripartite Declaration at Paris, [10] had been further conveyed to the Soviet rulers in a number of statements and speeches of high officials of the United States Government, including Secretary of State John Foster Dulles and the present, as well as past, United States High Commissioners in Germany. The firm attitude of the Western powers has also been given expression in notes of protest to the Soviets regarding impositions and harass-

[9] Not printed. (762A.00/7-2552)

[10] Regarding the Tripartite Declaration, see Document 537.

ments affecting our position in, and access to, the city. A reaffirmation of western resolve with regard to Berlin may be desirable in the near future.

11. *Paragraph 10.* Possible Partial Evacuation of Berlin Population. The Department of Defense has taken the position that any major attempt to evacuate a part of the Berlin population (as distinguished from the emergency evacuation of certain key individuals) would be impractical because it could not be hoped to reduce the population of West Berlin to a significant extent, would interfere with the operation of the airlift supplying the city and, furthermore, would have undesirable political and psychological effects.

. . . . . .

13. *Paragraph 12.* Preparations for additional reprisals. A search for possible additional reprisals, not limited to the economic field, will be continued by the Department of State and appropriate representatives abroad (jointly with the other powers concerned) and by other interested agencies and interdepartmental groups.

14. *Paragraphs 14 and 15.* Review of Courses of Action in Light of the Berlin Situation to Increase Western Unity and Strength. A continual review of courses of action which could be taken, in light of the Berlin situation, to accelerate the Western defense effort and increase Western unity, is being carried out by the Departments of State and Defense, CIA, MSA, the NSRB and other interested agencies, as well as by such bodies as the *Ad Hoc* Committee on Berlin and the Psychological Strategy Board. It is understandable that in the absence of any severe harassment of the city, as at present, Berlin is not as effective a stimulus for such courses of action. Nevertheless, the planning exercises discussed in this paper themselves possess the virtue of setting in motion joint consideration of defense and other security problems, cooperative efforts to meet these, and an awareness of dangers inherent in Berlin's continuing precarious situation.

15. *Paragraphs 17 through 20.* These paragraphs prescribe the implementation, if and when the Berlin situation becomes more serious, of the courses of action discussed earlier in the NSC document and in the paragraphs preceding this one in the present report.

16. *Paragraph 21.* Approach to the Soviets. The Soviets have already been presented in Germany with a demand for advance notice of interruptions in transport facilities to Berlin and the provision of alternative facilities if and when such interruptions do

occur. An approach to the Kremlin has not been considered necessary up to now.

17. *Paragraphs 22 and 23.* Possible Use of Force if Berlin Position Becoming Untenable. If the circumstances are considered to be propitious by HICOG, CINCUSAREUR is to discuss this problem with the British and French military representatives under item 6 of the proposed agenda, and subsequently, undertake the necessary military planning.

18. *Paragraphs 24 through 30.* Ultimatum and Force. The graver situations envisaged in these paragraphs and more extreme course of action prescribed to meet them will continue to be studied by the Departments of State and Defense and other agencies as appropriate.

JOHN FOSTER DULLES

No. 585

762A.00/9-1153: Telegram

The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL WASHINGTON, September 17, 1953—5:14 p.m.

897. We note with concern possibility reported Berlin's 346 to Dept 394 to Bonn [2] that as aftermath Bundestag election Berlin coalition govt might be broken-up and Reuter replaced. Resultant loss of unified strength and stability Berlin Govt, we feel could only be detrimental to maintenance this exposed and key outpost of freedom behind Iron Curtain.

Since Chancellor's attitude may reportedly determine whether attempts actually made unseat Berlin coalition suggest you should seek first appropriate opportunity approach him informally on this subject. Among points you could make might be following: We do not propose interfere in any way with Chancellor's decisions re internal German politics. In light however our special interests and responsibilities re Berlin and consideration which Chancellor may be giving Berlin affairs he might be interested in our views. As isolated and frequently harassed outpost, Berlin's requirements and conditions seem to us rather different from those in Federal Repub-

---

[1] Drafted by Carlson and cleared by Bonbright, Matthews, and Lewis. Repeated to Berlin.

[2] Telegram 346 reported that while the effect of the Federal elections on Sept. 6 on Berlin would be hard to predict, it was already clear that the Berlin coalition government would be under increasing attack in the coming months. (762A.00/9-1153)

lic. We continue regard broad coalition govt in Berlin as highly desirable in maintaining strength and stability of city against Soviet pressures. We believe present coalition has good record in helping maintain Berlin. Likewise we feel Reuter with support all major parties has done excellent job and we have been able work well with him. Thus far Reuter has maintained somewhat precarious balancing of coalition as well as within his party. If coalition should now be broken ultimate effect might be polarization of two democratic political camps in West Berlin with SPD personalities not of moderate Reuter type coming to fore on SPD side. To find ready replacement for Reuter with comparable knowledge and experience in countering Soviets would seem difficult and we would be sorry to see in his place someone less dynamic who might flinch and waver under Red threats. We have noted Soviet Zone publications (e.g. *Neues Deutschland* Sept 10) have called on Berliners smash Reuter coalition. It has been apparent all along that no Berlin personality is feared and so thoroughly hated by Soviets as Reuter. He seems to have become obnoxious symbol of their difficulties re Berlin and evidently Soviet Zone authorities regard break-up of coalition as helpful to them.

In addition to approaching Chancellor we suggest Berlin Element seek appropriately to put brakes on any attempts at replacement of coalition, through informal conversations (using above arguments and also stressing Reuter's great prestige in US) with appropriate functionaries while at same time seeking avoid impression interference or pressure in Berlin politics. [3]

SMITH

[3] On Sept. 18 Lyon reported that he had been doing exactly what was suggested in this paragraph, but stated that he shared the view that the fate of the Berlin coalition lay predominantly in Chancellor Adenauer's hands. (Telegram 373 from Berlin, 762A.00/9-1853)

No. 586

762A.00/9–3053: Telegram

The Acting Director of the Berlin Element, HICOG (Maynard) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, September 30, 1953—7 p.m.

465. Death of Reuter, [2] quite apart from great loss it represents to forces resisting Communist tyranny and to cause of German reunification, will obviously have serious unsettling effect for some time to come on West Berlin internal political situation. In view of his great popularity, his winning personality, his international reputation as an implacable foe of Communism, his capacity for moderate but forceful leadership, and his ability to hammer out reasonable compromises among warring political factions, he is virtually irreplaceable and there is no personality on local horizon approaching his stature.

For time being (until Reuter funeral and for reasonable time thereafter) Deputy Mayor Schreiber of CDU will be acting governing mayor and present *Senat* (or executive body) will carry on as now constituted. While terms of Berlin Constitution make no provision for present contingency, Constitution can be interpreted as requiring that new governing mayor must be chosen by majority vote of House of Representatives. In addition House of Representatives formal approval will probably be required for designation of new deputy mayor and of senators, whom Constitution provides are to be nominated by governing mayor. Therefore within period of time which is not specified in Constitution but presumably cannot be permitted spin out for more than several weeks at most, House of Representatives will probably be required take formal vote on constitution new executive, including new governing mayor, new deputy mayor, and senators.

Present alignment of parties in House of Representatives (61 SPD members, 34 CDW and 32 FDP) and absence of any really outstanding personalities available for post of governing mayor combine to make outlook re future composition of top level of Berlin executive branch very obscure. As largest party SPD continues to have theoretical claim to post of governing mayor in a "grand" coalition but it is in difficult position since none of remaining leading figures in party, such as party chairman Franz Neumann, Willi

[1] Repeated to Heidelberg, London, Paris, and Washington; the source text is the copy in Department of State files.

[2] Mayor Reuter died of a heart attack on Sept. 29.

Brandt, Kurt Mattick *et al.*, are likely to be acceptable to CDU-FDP, which have 5-vote majority over SPD. House of Representatives president Suhr might be so acceptable but it appears doubtful he would be willing enter his candidacy for this position.

At present therefore it appears not unlikely that CDU-FDP will wish make use of their 5-vote majority (and certainly there will be strong pressure to this end from extremist element within both parties) to insist on designation CDU or FDP man as governing mayor. In such event acting Mayor Schreiber would be strong candidate if his health permits. (It will be recalled he was candidate for post in January 1951 and that first House of Representatives vote on matter ended in 62-62 tie between Reuter and Schreiber.) Lemmer of CDU, a consistent supporter of "grand" coalition, might also be available.

Should SPD decide to insist at all costs on designation SPD man, then there would probably be no alternative to break-up of present big coalition, with CDU-FDP trying to run city with 5-vote majority and SPD in opposition. If on other hand local SPD, which has been considerably chastened by results federal elections and immeasurably more so by loss of Reuter, would now be content with number 2 spot, then there would appear possibility of compromise which could permit coalition to continue more or less along present lines until next direct Berlin elections in late 1954. Further factor which is likely to constrain SPD to moderation, even though SPD position in government may become relatively weakened by developments, is fact many SPD party members have important jobs throughout city administration as result SPD's participation in big coalition and these would be largely wiped out by dissolution of coalition.

With all local political leaders entirely preoccupied at moment with Reuter death and preparations for funeral, it will obviously not be possible for us to take any definitive soundings among them for several days as to future outlook. We shall continue, however, to watch situation closely and to report developments.

MAYNARD

No. 587

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 164th Meeting of the National Security Council, Thursday, October 1, 1953

TOP SECRET EYES ONLY

Present at the 164th Meeting of the Council were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; the Director, Foreign Operations Administration; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Director, Bureau of the Budget; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; Sherman Adams, The Assistant to the President; Robert Cutler, Special Assistant to the President; C. D. Jackson, Special Assistant to the President; Brigadier General Paul T. Carroll, Acting White House Staff Secretary; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the chief points taken.

[Here follows discussion of items 1 and 2, significant world developments affecting United States security and the United States position with respect to Germany. For text of the discussion on Germany, see Document 224.]

3. United States Policy and Courses of Action to Counter Possible Soviet or Satellite Action Against Berlin (Progress Report dated September 10, 1953 by the Secretary of State on NSC 132/1 [1])

Mr. Cutler briefly summarized the progress report and the policy of the United States which it described, ending his remarks by pointing out that United States policy with respect to a Berlin blockade was very strong.

The President agreed that our policy toward Berlin was a strong one and thought that it ought to be strong. . . .

. . . Secretary Dulles inquired whether Berlin did not offer another instance where if we made known our position in advance, the chances that the Russians would impose a blockade would be greatly diminished.

---

[1] For text of the Progress Report, see Document 584. For NSC 132/1, see Document 547.

The President observed that while, for the moment, there was no dark cloud on the Berlin horizon we could never be sure that what the Russians had done once there they would not do again. He reiterated his view that if they re-imposed the blockade and we acquiesced in it, we would sacrifice our leadership of the free world and would appear soft and spineless. On the other hand, if we adopted Secretary Dulles' suggestion of making our position on Berlin altogether clear to the Russians, such a statement should be carefully worded and discussed in advance of its issuance with the British, the French and Chancellor Adenauer.

Mr. C. D. Jackson said that he had strong objections to the existing policy paper for the same reasons that the President had, namely, that the imposition of the blockade was an act of aggression and the many steps which we would subsequently propose to take might obscure this vital fact.

Mr. Cutler pointed out that the present policy paper on Berlin had been written in 1952 and after reading the main points in the policy paper inquired whether it was the view of the Council that the Planning Board should review this policy. The President said yes. Admiral Radford commented that the only meeting of the NSC which he had ever attended prior to recently becoming Chairman of the JCS was a meeting at which General Clay was also present and which was concerned with the first Soviet blockade of Berlin. [2] Admiral Radford pointed out that General Clay had on that occasion expressed the opinion that we should have broken the Soviet blockade by sending a military force through it. Admiral Radford said that he believed that General Clay's course was the right one then and was the right one now.

The President expressed no clear view on this point . . . .

The National Security Council:

a. Noted the reference Progress Report on the subject by the Secretary of State.

b. Directed the NSC Planning Board to review the policy on the subject in NSC 132/1 in the light of the discussion at the meeting.

[Here follows discussion of items 4 and 5, the reported decline in United States prestige abroad and the current budget situation and outlook.]

---

[2] Admiral Radford is presumably referring to the sixteenth meeting of the Council, July 22, 1948.

No. 588

762A.00/10–653: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL WASHINGTON, October 8, 1953—7:04 p.m.

1160. Re Berlin's 429 and 433 [2] we would still like to see Berlin coalition continue if possible although we realize Reuter's death makes this outcome much more difficult and unlikely. If coalition cannot continue until scheduled elections in late 1954 we agree that elections at early date is probably next best solution. In our opinion least desirable of all would be for CDU–FDP try governing alone especially with bare five seat majority. In any event we feel our interest best served by Berlin Government so firmly established that leaders not likely be distracted by inter-party quarrels. We would not like see partisan strife grow and mar Berlin's role as key and influential democratic outpost.

We leave your discretion possible use appropriate informal conversations in Bonn and/or Berlin to influence unobtrusively decisions toward desirable solution, including delicate question of possible approach to Chancellor.

We look forward Berlin's appraisals leading contenders for Mayor's post as situation develops. If Lemmer is or should become one of these, would particularly appreciate evaluation his political record. Also curious to what extent Suhr's view that election new governing Mayor e.g. Schreiber, would cause present coalition collapse is shared by other SPD leaders. While from practical viewpoint we see that Schreiber would need Deputy we fear Suhr's contention on election Mayor, if shared, would destroy coalition.

DULLES

---

[1] Drafted by Carlson and cleared by Eleanor Dulles and Lewis. Repeated to Berlin.

[2] Telegram 429 reported that, following the funeral of Mayor Reuter, Berlin political leaders had begun to turn their attention to the future of the Berlin Government. Telegram 433 reported that Schreiber, Suhr, and Vockel, the Federal Plenipotentiary in Berlin, all favored continuation of the coalition government, while Kielinger, the CDU Senator for Justice, felt the coalition could not continue indefinitely. (762A.00/10–553 and 10–653)

No. 589

762A.5 MSP/10-2053

The Acting Special Assistant to the Secretary of State (Nolting) to the Deputy Director for Program and Planning of the Foreign Operations Administration (Ohly) [1]

SECRET [WASHINGTON,] October 20, 1953.

MY DEAR MR. OHLY: The Department has prepared at your request a statement of the political objectives relating to Berlin which would have a bearing on the determination of requirements for Berlin for inclusion in the FY 1955 MDAP Program.

According to the views expressed at the meeting of the Ambassadors at Vienna on September 24, 1953, [2] Berlin is the most critical area for the United States in Europe as it is a potentially volatile area and may become more so. The need for maintaining the morale of the population is evident. The city is the symbol of our resistance to Soviet expansion on the European continent, and is a show window behind the Iron Curtain which feeds the spirit of resistance in Soviet-occupied territories. Our policy of maintaining our position in Berlin and of sustaining a steady rate of improvement in the economic situation and a reduction in the number of unemployed is expressed in policy papers which have recently been re-examined and reaffirmed at the highest level of the government.

The Berlin economy is still depressed. There are now approximately 210,000 unemployed, even though unemployment was reduced in FY 1953 by about 62,000.

In our judgment, it is essential in order to accomplish our political objectives to program for a progressive reduction in unemployment. The Department considers that the target consistent with our political objectives would be a reduction in unemployment comparable to that accomplished in FY 1953, if possible, and in any event not less than 50,000 per year.

In the judgment of the Department, the following principles should be taken into account in the program:

A. Provision should be made to enable the United States and the Federal Republic to carry out such programs as may be developed as a result of the position taken by the Administration in the ex-

---

[1] Drafted by Eleanor Dulles and Margolies and cleared with Lewis, Morris, RA, and S/MSA.

[2] Documentation on the Chiefs of Mission meeting at Vienna in September is in volume VI, Part 1.

change of letters between the late Mayor of Berlin and the President of the United States last August relating to work relief. [3]

B. Provision should be made for a pipeline of the equivalent of $15 million which would carry the investment program into the first quarter of 1956, and assure an adequate rate of expenditure during FY 1955.

C. Because of the many uncertainties which affect planning for the Berlin area, particularly due to the increasing tension which can be anticipated, the Department urges that the factors entering into the assessment of requirements be conservatively estimated and that a reasonable margin of safety be provided.

D. The Department concurs in the judgment of the United States High Commissioner that continuation of aid for Berlin during FY 1955 will be required on economic grounds. The Department also feels that on political grounds as well it is necessary to include some figure for Berlin aid as a means of maintaining our position in the city.

E. The Department intends to press the Federal Republic, which is now spending between the equivalent of $200 million and $300 million for the support of Berlin, to step up its financial support. The Department believes that this would affect requirements for FY 1956. In order for these negotiations to be successful, however, the Department believes that it would be necessary for the United States to have additional funds to introduce into the Berlin economy during FY 1955.

F. Since the Berlin requirements are for German local currency and not for goods to be financed from dollar sources, the Department suggests that the requirements for Berlin be financed in part from local currency which will become available under the Surplus Property Agreement which entered into effect September 17, 1953. Under this agreement, the United States will be entitled to draw down the equivalent of $40 million in FY 1955, of which perhaps $25 million could be available for the purpose of Berlin support.

The Department has prepared its own estimates of Berlin requirements and will be glad to discuss them with members of your staff if they desire.

Sincerely yours,

FREDERICK E. NOLTING, JR.

---

[3] For text of the letters exchanged between President Eisenhower and Mayor Reuter in August, see Documents 581 and 582.

No. 590

MSA-FOA telegram files, lot W 130, "Bonn Tousfo": Telegram

The United States High Commissioner for Germany (Conant) to the Foreign Operations Administration [1]

CONFIDENTIAL PRIORITY BONN, October 23, 1953—11 p.m.

Tousfo 323. Question of further aid to Berlin has been under serious and continued study here for several weeks. We have thoroughly reviewed political and economic considerations affecting this question. On economic grounds High Commissioner, FOA Mission Chief and Treasury representative recommend continuation investment and work relief programs with US contribution of $37 million (22 million for investments; 15 million for work relief). This recommendation made after full exploration possibilities additional Federal Republic contribution as substitute for further US assistance. Supporting data will be transmitted this weekend in separate telegram.

While aid in this magnitude in our judgment is justified on economic grounds alone, we wish to point out again compelling political reasons necessitating continuation US assistance. June 17 riots in East Germany focused attention on economic conditions in East Germany as contrasted to steady economic progress of West Berlin and West Germany. This has not gone unnoticed by Russians and all evidence now indicates that they will make substantial effort to improve standard of living in East Germany concentrating on East Berlin. The existence of a large pool of unemployed in West Berlin will be a potent Communist propaganda weapon of considerable importance, especially if any success attends Communist efforts to improve standards in East Berlin. Communists can increase number of unemployed in West Berlin by precipitately cutting access of West Berliners to their jobs in East Berlin, or gradually, as they now appear to be doing. Our figures show that from September 52 to September 53, 17,000 West Berliners working in the East have lost or left their employment.

We cannot conceive of a less propitious time than now to cut off aid in view of June 17th uprising and success of food program. Berlin's value as a show window paid dividends much higher than we had reason to hope for. We believe we should take no step which would jeopardize its unique value in the cold war.

In addition $37 million for economic programs, we propose a special program of $15 million to cover costs of special projects such as

[1] Repeated to Berlin.

food distribution program, clothing program for aid to East Germans. . . .

We realize that total of $52 million is substantial amount in view US budgetary problem and desire to eliminate economic assistance. But this can hardly be called only economic assistance. A successful economic program in West Berlin which continues to undermine Russian strength in East Germany has direct important military consequences. A disaffected population in East Germany under present political conditions has, in our judgment, a military value that is worth far more than the dollar value of this aid.

CONANT

No. 591

762A.5 MSP/10-2653: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Europe, at Bonn [1]

CONFIDENTIAL PRIORITY BERLIN, October 26, 1953—2 p.m.

560. 1. Reuter's death has been blow to West Berliners and boon to Soviet Germany.

2. Our action in Trieste has caused some apprehension here among certain Berliners who fear it is handwriting on wall for Berlin. [2]

3. Even to indicate that our financial assistance would terminate during next fiscal year (when pipeline will empty if no extra funds are allocated) would raise fears in West Berlin and lend substance to Soviet propaganda.

4. Continuation of US aid to Berlin permits us to support Berliners in their efforts to attain financial assistance from Federal Republic; also allows us to talk to Federal Republic about Berlin with some degree of authority. Termination our aid would remove this advantage.

5. Battle for Berlin is not yet won though there are some signs of victory on horizon.

Consequently, trust I am correct in believing that Department's 1289 of October 23 to Bonn, repeated Berlin 271 [3] indicates that De-

---

[1] Repeated to Washington; the source text is the copy in Department of State files.

[2] On Oct. 8 the United States and the United Kingdom announced that they would withdraw their troops from Zone A of Trieste at an early date.

[3] Telegram 1289 reported that the Department of State had sent a letter to FOA outlining the political considerations that would affect the aid requirements for fiscal year 1955. (762A.5 MSP/10-2353)

partment likely to support proposal contained Bonn's Tousfo 323, [4] since ending of pipeline flow would be subject for alarm among West Berlin officials who need our moral and economic support at this time. [5]

LYON

[4] *Supra.*

[5] On Oct. 27 the Department of State informed Bonn that it was supporting the pipeline argument on both economic and political grounds. (Telegram 1326 to Bonn, 762A.5 MSP/10-2653)

No. 592

762A.00/11-953

Notes on the Sixteenth Meeting of the Ad Hoc Berlin Committee, October 29, 1953 [1]

TOP SECRET

Present:

Department of State

Mr. Lewis, Mr. Carlson, Mrs. Dulles, (GER)
Mr. Bickel (S/P)

Department of Defense

Mr. Parringer (Office of the Secretary of Defense)
General Vittrup and Colonel Davids (Army)
Captain Iverson (Navy)
General Harris (Air Force)

CIA

Mr. Bross

HICOG

Mr. Harris (Economic Adviser to the U.S. High Commissioner)

1. Berlin Government:

Mr. Lewis stated that as a result of Mayor Reuter's untimely death, the Berlin Government is in a transitional period, undergoing certain changes whose eventual outcome cannot be clearly foreseen. Our aim in this period has been to seek to hold the coalition together if possible and to maintain the unity of Berlin's democratic forces. We wish to avoid any trend which could lead to the split-

[1] The notes for this meeting were taken by Carlson. The notes were attached to a letter from Lewis to Conant, dated Nov. 9, which called the High Commissioner's attention to paragraph 8. Attached to the source text was a letter from Lewis to General Timberman, dated Nov. 9, transmitting to him a set of the notes.

ting of Berlin into two bitter rival political camps and thereby weaken Berlin not only internally but also its influence upon the Soviet Zone. Fortunately our reports indicate that there is a fairly widespread awareness of this danger among a considerable number of party functionaries. The parties seem to favor continuation of the grand coalition, although each wants to gain an advantage in the negotiations to form the new government. Herein lies a certain potential danger if the functionaries become overly concerned with partisan purposes.

Mr. Lewis said that if the coalition cannot be maintained, we favor advancing the date of popular elections (now scheduled for late 1954) rather than see the CDU–FDP try to govern with a 5 seat majority. Dr. Walter Schreiber was chosen Mayor on October 22nd by a narrow margin over the SPD candidate Suhr. Since then Schreiber has been seeking to form a government and at the moment is encountering some difficulty.

Mr. Lewis observed that it has been clear from the date of Reuter's death that we could not expect any replacement who could measure up to his stature and experience. We doubt that the Berlin government will be quite as forthright and strong, even if the coalition continues, unless someone develops into an outstanding leader. This, of course, could happen although it is probably too early for such signs. We have no doubt that the basic spirit of resistance in the Berliners will continue, but the question is, if they should need inspiration in a long crisis, to what extent the remaining leaders can provide the type of inspiring example and symbolism which Reuter provided. The Communists are well aware of the effect of Reuter's absence and they are seeking to capitalize on it by trying, sometimes subtly and sometimes openly, to encourage an internal political struggle in West Berlin.

2. Refugees:

Mr. Lewis said that the number of refugees entering Berlin since September 1 had slowly but consistently been increasing each week. 3,863 entered last week (or a little over 500 a day). At the same time the number of recognized refugees being flown out to West Germany for settlement has been slowly declining (2,078 were flown out last week). This decline is due to the continuing inability of the West German *Laender,* chiefly Baden-Wuerttemburg and North Rhine Westphalia, to accept promptly full quotas assigned them owing to a shortage of camp space. The refugee processing system in Berlin remains efficient and the airlines are prepared to fly out more than they are now.

Mrs. Dulles reported that Dr. Middelmann, an official of the Refugee Ministry in Bonn, had recently expressed the belief that the refugee influx may soon increase considerably.

3. Status of Soviet Tactics re Berlin:

Mr. Lewis stated that there is at present still no new major or general harassment of Berlin or western access thereto. There were a few cases this month, however, of apprehensions by Communist authorities of West Berliners on the Berlin-Helmstedt autobahn. These apprehensions seemed to have been aimed at trucking companies. In two cases neither the driver nor the vehicle has been seen since. In the third instance the truck driver was given an irrelevant medical test and allowed to continue his trip. These cases are not of any special importance in themselves but they serve to remind us of the possible type of harassment which the Vopo might use at a future date.

Another potential harassment of freedom of movement, in this case of East Germans traveling to Berlin, is to be found in increased Vopo checks on such trips. The Vopo have customarily exerted such control at railway stations. They have now instituted checks on the trains themselves and S-bahn schedules have been changed to involve stops at certain zonal stations outside Berlin. These checks have thus far not affected the frequency or adequacy of service in Berlin nor are there reports as yet of serious interference with the travel of East Germans to Berlin.

Perhaps more significant is a possible Soviet trend, of recent vintage, to turn interzonal matters over to the GDR. There have been several recent examples which point to such a trend:

(1) In August the Soviets ceased stamping Warenbegleitscheine (bills of lading) and these papers for certain Berlin goods transiting the Soviet Zone suddenly began to be returned with GDR stamps. Thus far the GDR has been stamping more Warenbegleitscheine than the Soviets did but we do not take much comfort from this phenomenon.

(2) In September HICOM made a second request of the Soviets to agree to the abolition of interzonal passes, thereby restoring freedom of movement between zones. The Soviets rejected the request evading their responsibility under Four Power agreement and later indicated that passes were in the hands of the GDR and suggested the issue be settled by East-West German talks.

(3) In September the Berlin Commandants requested the Soviets to restore the automatic telephone service between East and West Berlin, which the East Sector had disrupted in May 1952. The Soviets replied that telephonic communications had long ago been turned over to the Soviet Sector authorities who are competent independently to conduct negotiations with West Berlin agencies.

Our Berlin authorities are carefully watching for further indications that this is the trend of the future. If so, presumably the Soviet aim is to:

(1) Promote the prestige of the GDR.
(2) Try to force us to recognize the GDR at least indirectly.
(3) Provide an easy out for the Soviets in answering Allied complaints.
(4) Encourage East-West German talks and seek to give the impression that the Western Powers and the Federal Republic are blocking all progress by refusing to negotiate issues through East-West German talks.

If this is the Soviet aim, we must act carefully to thwart it. In general we believe we should not object *ipso facto* to East German authorities operating as agents or clerks of the Soviets. We should make it clear, however, that we hold the Soviets strictly responsible if and when difficulties occur and make their responsibility abundantly clear to the public.

. . . . . .

4. Berlin's Place in Any Security Guarantee:

Mr. Lewis stated that in considering any general security arrangements or guarantees in relation to the Soviets, GER intends to keep in mind the special situation pertaining in Berlin and the effect of any general guarantees upon Berlin's future. We should never give the Soviets any idea that we are precluding the use of force to maintain Berlin or access to Berlin. The Soviets must continue to be encouraged to retain the idea that serious interference with Berlin may have serious repercussions.

5. Air Saftey Talks:

Mr. Lewis said that our representatives in Germany had reported by cable that they agreed with Washington that the air safety talks should be terminated. Two despatches on the subject had just been received in the Department but there had been insufficient time to read them before the *Ad Hoc* Committee met.

6. Airlift Planning:

Mr. Lewis reviewed the latest reports on airlift planning and called attention to HICOG's query as to whether the US should agree at the present stage of negotiation to supply the difference between a full-scale airlift and the sum of the British and French contributions if our Allies cannot increase their share. He said that our initial reaction was that the US should not at this time indicate to our Allies that we would pick up the balance for a full-scale airlift but that on the other hand we should face the fact that the

US will probably have to pick up this balance if a blockade occurs and we should plan accordingly.

General Harris indicated that this might be done by using two sets of figures, one at tripartite negotiations and one for the US alone.

Mr. Harris stated that General Tunner believed that it would probably be easier for the US to carry out an airlift unilaterally without any contributions by the Allies.

General Harris pointed out that the US Air Force has other global commitments and that the US contribution to the airlift should be kept to the minimum necessary.

Mr. Lewis stated that the British and French contributions were of considerable value for psychological reasons.

Mr. Harris said that the British and French take their commitments to contribute to the airlift quite seriously and that these commitments have been discussed at the cabinet level. He pointed out that British and French representatives were now contacting their governments as to whether the contributions could be raised but the outlook was not optimistic. He said in the event that a full-scale airlift was instituted, it was the intention to use exclusively air fields in the British zone and that this might interfere with the present deployment of the British Air Force in Germany.

Colonel Davids questioned the figure of 12,000 tons daily as the requirement in a full-scale airlift and asked if the increase from 8,500 tons to 12,000 tons was really necessary since the Berlin population had only increased 4 or 5%.

Mr. Harris replied that the expansion of the Berlin economy rather than only the rise in population had accounted for the 12,000 ton figure.

7. Review of NSC 132/1: [2]

Mr. Lewis stated that at the NSC Planning Board meeting on October 22nd we recommended two changes designed to clarify and strengthen parts of the Berlin policy paper and we are now recommending one further change. None of these changes are designed to alter in a basic or major way the policy which the paper sets forth and which we believe is still sound. The NSC Planning Board seemed to approve the policy set forth in NSC 132/1, which will be reviewed again by the NSC on November 25th.

The changes which we have recommended are:

(1) A new sentence after the first sentence in paragraph 6 on page 3:

---

[2] Document 547.

"Efforts to maintain and strengthen Berlin's economy and morale should be continued in accordance with the commitments regarding Berlin's welfare and security undertaken by the United States, United Kingdom, and France in the Tripartite Declaration of Paris of May 27, 1952." [3]

(2) A new paragraph after paragraph 21 on page 12 as a part of Section "C" (Courses of Action in the Event that a Blockade or Harassing Measures Tantamount to a Surface Blockade are Imposed):

"Consideration should be given to the use of force to break the blockade but in any event action should be taken only if agreed upon with the U.K., and France and after consultation with the Federal Republic."

(3) Following is to be added to the end of paragraph 12 (page 8) of Section "A" (Courses of Action in the Event That Western Access to Berlin is not Seriously Impeded):

"In addition to such preparations, even when access to Berlin is not seriously impeded, the United States should consider the use of appropriate reprisals to counter specific Soviet harassment or interference with means of access, or Soviet failure to correct promptly conditions affecting access including provision of satisfactory alternative facilities."

8. Countermeasures:

Mr. Bross inquired as to the status of the planning of countermeasures or reprisals to be used in the event of Soviet harassment or interference with access to Berlin. He said that probably most reprisals would have to be taken outside of Germany.

General Harris said that a list of possible countermeasures or reprisals would be of considerable value.

Mr. Lewis stated that in the past, planning of countermeasures had been very difficult because of the reluctance of our Allies to commit themselves in advance to any specific reprisals. He said that we would request HICOG to supply us with a list.

9. Financial Appendix to NSC 132/1:

Mr. Lewis reported that the NSC Planning Board had concurred in a request from the Bureau of the Budget for a financial appendix to NSC 132/1 which would give a picture of what funds might be needed to support Berlin in the future, what programs are currently underway, and a brief statement as to what has been done in the past. Mr. Lewis stated that in general four-fifths of the cost of aid to Berlin is borne by the Federal Republic while prior to the

[3] See Document 537.

recovery of Germany most of the expenditures were carried by the US budget.

10. Aid to Berlin—Fiscal Year 1955:

Mr. Lewis said that some resistance from the Bureau of the Budget had been encountered in attempting to secure future aid for Berlin. He stated that he had stressed three main points: (1) that there were still sound economic reasons for aid; the number of unemployed was symptomatic of this need, (2) that aid was necessary for political reasons, and (3) that since Berlin was a special situation and not a part of the Federal Republic, the question of aid to Berlin could not be viewed in the same light as aid to any other part of Germany. There was sometimes a tendency to overlook the fact that the Berlin economy was at quite a different level from that of the Federal Republic. In fact the circumstances were so different in Berlin from those in West Germany that dealing with Berlin problems was almost like being concerned with a different country.

Mr. Harris said that there were sufficient reasons on economic grounds alone for continuation of aid and a good political case in addition. He pointed out that the Federal Republic has been steadily increasing its share of aid and this year will be bearing 87% of all aid to Berlin if the US contributes its expected share. The Federal Republic has done this despite the fact that it is under considerable political pressure to aid other areas in Western Germany. In addition, there is pressure from some West German business circles, who do not wish the Berlin economy to receive extensive aid for fear of competition. He said that truly remarkable progress had been made on the economic front in Berlin. Unemployment had been considerably reduced and would have been decreased even further if unrecognized refugees had not entered the labor market and if some 17,000 West Berliners had not been forced out of their jobs in East Berlin. With continued aid we might expect to decrease unemployment by as much as 50,000 in another year. If this aid is not forthcoming, however, and if we permit the economic situation to deteriorate and unemployment to start rising again, it will be much more costly to rectify the situation. A continuing high rate of unemployment may have strong political repercussions. Mr. Harris recalled that Mayor Reuter had discussed this situation with him on the Thursday before the Mayor's death and had expressed great concern over the need for immediate strong efforts to reduce this problem. On this occasion Reuter said, "I know my people and I cannot go on indefinitely year after year telling them that the situation is going to improve if eventually it does not improve. The result of this trend will be loss of hope and therewith

the will to resist which has kept Berlin alive." Reuter predicted that unemployment would increase this winter, largely for seasonal reasons, and that therefore it was all the more imperative to try to reduce unemployment at once, if possible by as much as 50,000.

Mr. Harris pointed out some of the problems which he has faced in connection with the stockpile. He said that shortly there would be no American official left in Germany other than himself who was familiar with the stockpile problem. In addition to lack of experienced personnel, there were constant problems in connection with the rotation of perishable stockpile items and it was necessary to check frequently to be certain that the German authorities were taking required action. It is expected that the stockpile will be completed by the end of 1953. As far as the raw materials portion of the stockpile was concerned, this work which involves thousands of contractors, may be completed by April 1, 1954. Mr. Harris believed the Berlin authorities were more interested in funds for employment and work relief than in stockpile activity. They are prepared to accept the hardship which a blockade would impose but they find it difficult to cope with chronic economic problems.

No. 593

762A.0221/11-1753

Memorandum of Conversation, by the Liaison Officer of the Berlin Element, HICOG (Mautner) [1]

CONFIDENTIAL [BERLIN,] undated.

Subject: Commandants' Meeting with Mayor Schreiber at General Timberman's Residence, November 14, 1953 at 1730 hours.

Present: General Timberman
General Coleman
General Manceaux-Demiau
Mayor Schreiber
Dr. Klein (Protocol)
Mr. Keeble
Mr. Syragos
Mr. Mautner

(1) After being welcomed by General Timberman, Mayor Dr. Schreiber stated that he hoped that the fruitful and close cooperation which had existed in the past would continue.

---

[1] The source text was transmitted as enclosure 1 to despatch 366 from Berlin, Nov. 17.

(2) He had been a supporter of the major coalition and still considered himself one. He had been forced to take the steps he had taken by the political circumstances but had still kept open five seats for the SPD in his cabinet, and he would keep these open another week for them to return. [2] Even after the expiration of this limit and a completion of his *Senat* [*Cabinet*?] as a minor coalition he would continue to keep looking for a major one if such can possibly be accomplished. The SPD could re-enter it if it chose to. It should not, however, expect any further concessions. None would be forthcoming. The unfortunate final outcome had been brought about to a large extent by the interference of the small functionaries of all parties and others who in no way could be expected to have the broad background and vision necessary to act usefully in the creation of a good government.

(3) Dr. Schreiber explained the political line he would follow: He was a strong adherent of Adenauer's foreign policy which for him might make cooperation with the Western Allies even easier than it was for Reuter. He would obviously continue the line of promoting Berlin's political freedom, of the united front against the Soviets and of the struggle for Berlin's independence.

(4) His government program, although not yet approved by his *Senat* colleagues, was one of:

(a) Continued work on the tremendous social welfare problems.

(b) Special considerations for Berlin's economic problems. He considered himself very qualified in this respect as pre-1933 Economics Minister of Prussia.*

(c) He would place special emphasis on increase of Berlin's tourist traffic. Before the war Berlin sheltered 200,000 foreign visitors yearly from a total of more than a million out-of-towners. These gave work to 72,000 persons. Last year Berlin was visited by only 32,000 foreigners and as a result the branches connected with the tourist trade have only 23,000 persons employed.

(d) In this respect the Mayor welcomed the HICOMer's move to relax the interzonal pass requirements, even if so far the step was

---

[2] Mayor Schreiber's efforts to form a grand coalition (CDU-FDP-SDP) following his election as Mayor had failed and the FDP and CDU had decided to attempt to govern without the SDP.

*In this connection, Dr. Schreiber mentioned the visit of Mrs. Dulles and the fact that apparently a different meaning existed for the German word "Investitions Kredite" and the American "Investment Credits". "Investitions Kredite" indeed, were not urgent requirements, namely credits for capital equipment, real property. For "Investment Credits" which included credits for liquid funds, raw material, payment of wages and so forth, on the other hand he could assure, were needed badly in Berlin. The city could use a Billion. Dr. Schreiber was glad that this misunderstanding could be explained before any harm had been done. Washington apparently had gained the erroneous impression that "Investitions Kredite" were the same as "Investment Credits" and were not needed in Berlin. [Footnote in the source text.]

more political than practical, at least as far as it concerned Berlin. [3] Nevertheless, it took the initiative from the Soviets.

In order to benefit the tourist trade in particular and the Berliners in general, it looked now as if the requirement for interzonal passes for air travel should be relaxed. These passes were useless, did not concern the Soviets and should be done away with. It would help Berlin greatly. (To this General Timberman replied that such a move was being studied at the Kommandatura and that a solution might soon be found.)

(e) Dr. Schreiber then hoped that a way might also be found for Allied and other foreign *tourist* vehicles to drive to Berlin via Helmstedt. (I do not believe the Mayor is familiar with the complexities of the vague agreements on autobahn travel, nor on the other questions concerning Berlin's "status". Reuter had seen the agreements and discussed the problems with General Mathewson; nobody else among the German leaders has, as far as I know.)

(5) General Timberman then explained that he and his colleagues, but especially he as American, were somewhat worried about the future of the Senatorship for Credit Affairs.

To this Dr. Schreiber replied that he had been most reluctant himself to part with Dr. Hertz. In fact had asked Dr. Hertz, in the name of the *Senat* to continue in his function as Hauptwirtschafter for the Emergency Work Program (the voluntary supervisory function Hertz has held up to now), provided the SPD permitted him to do so. The Credit Department would be headed by Dr. Hertz's deputy, Busack, but would probably be placed under the supervision of the Economic Department (Dr. Eich). It was, however, not intended to diminish the importance of the Credit Department as such.

(6) Concerning elections, Dr. Schreiber stated that despite rumors and speculations it had been considered best to continue without attempts to call for new elections. Unless unforeseen events occurred, elections would not come before the normally set time at the end of the *Senat*'s term of office, the end of next year.

(7) The Reuter foundation had launched a butter distribution program. Unfortunately, the wires had been very much crossed on this. The past week had not been one designed for coordinating matters well. Dr. Schreiber had been under the impression Senator Bach had talked over the program with the Allies. It was a clear principle that all matters of political importance undertaken by the allies should be discussed with the German authorities but it was an equally clear principle, which he would strictly adhere to,

---

[3] For text of Conant's letters to Semyenov, dated Aug. 26 and Sept. 17, and the latter's reply, dated Sept. 1, concerning German travel restrictions, see Department of State *Bulletin*, Sept. 21, 1953, pp. 391–392 and *ibid.*, Oct. 12, 1953, pp. 490–491.

Dr. Schreiber stressed, that German moves would be coordinated with the Allied authorities.

The program had been stopped. Dr. Schreiber would carefully consider the proposals and send them up with his recommendations to the Commandants.

(8) After all parties expressed their satisfaction about the cooperative atmosphere, the meeting broke up with a toast to the success of Dr. Schreiber's difficult task.

No. 594

762A.00/11-2053: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State

CONFIDENTIAL BONN, November 20, 1953—2 p.m.

1723. Following telegram sent Bonn 641 from Berlin, November 18, noon. Bonn repeat to Department if considered appropriate. Since Reuter's death and complete reorganization of *Senat* with basic changes in economic leadership Berlin, including probable loss of Hertz (from *Senat*) and uncertainties of political and economic collaboration of the majority and minority groups, additional uncertain factors have been added to Berlin picture.

This comes when considerable gains seem to be within grasp of economic community and when determination to reduce unemployment by another 50,000 was widely supported. The hope for reduction in unemployment 1954 equal to 1953, and renewal of Western confidence after June revolt, has seemed to lay a basis for further expansion, particularly in the small and middle sized firms.

Careful attention being given to firms near the margin of bankruptcy and efforts to aid by stimulating orders from outside recognized as one key to economic progress. Plans for stimulating increase of orders, improved productivity and diversification of investment all progressing.

Rightly or wrongly, Berlin leaders confidently expect and are counting on not only increasing aid from Federal Republic, but some measure of financial United States support for 1954/1955. While Berliners suffer from many pressures, including those resulting from reports of improved consumer goods and higher wages in East Zone, they also seem to have advanced to a new stage of creative economic effort.

Serious psychological or political setback, which might come from a failure to gain expected Federal Republic aid or disappoint-

ment over weakening of United States support, might lead to serious setback in sensitive and fluctuating situation. Reuter's death has been severe enough blow for this battered city, without it also having its moral and financial props "pulled out" through failure to continue United States aid beyond current year.

CONANT

No. 595

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 174th Meeting of the National Security Council, Thursday, December 10, 1953 [1]

TOP SECRET EYES ONLY

Present at the 174th Council meeting were the President of the United States, presiding; the Secretary of State; the Secretary of Defense; the Acting Director, Foreign Operations Administration; the Director, Office of Defense Mobilization. The Vice President did not attend because of his absence from the country. Also present were the Secretary of the Treasury; the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; Frank C. Nash, Assistant Secretary of Defense; Gen. Porter, Foreign Operations Administration; the Assistant to the President; Robert Cutler, Special Assistant to the President; C.D. Jackson, Special Assistant to the President; the Deputy Assistant to the President (for Items 1, 2 and 3); Maurice Arth, Foreign Operations Administration (for Item 5); the Acting White House Staff Secretary; the Acting Executive Secretary, NSC; and the Coordinator, NSC Planning Board Assistants.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion of items 1–3, significant world developments affecting United States security, the Bermuda Conference, and the upcoming North Atlantic Council meeting. For text of items 2 and 3, see volume V, Part 2, page 1847, and *ibid.*, Part 1, page 450, respectively.]

---

[1] Drafted by Gleason on Dec. 11.

4. United States Policy and Courses of Action To Counter Possible Soviet or Satellite Action Against Berlin (NSC 173; Memo from Executive Secretary, same subject, dated December 9, 1953 [2])

. . . . . .

Mr. Cutler than analyzed the Financial Appendix to the Berlin paper, pointing out the cheerful prospect of an expenditure more greatly reduced than had initially been anticipated.

Secretary Dulles inquired whether we proposed to cut out economic as opposed to military aid to Berlin. Mr. Rand answered that it was not proposed to cut out all economic aid, but to reduce it from the $37 million level for Fiscal 1953, which the State Department had originally recommended, to perhaps $20 million. Secretary Dulles commented that he would not deal with the actual level, but did wish to stress the importance of continuing at least some limited economic assistance to Berlin because of the city's enormous symbolic importance. Even token assistance would be better than none.

The President, Admiral Radford, and other members of the Council concurred in this view of the Secretary of State, and Mr. Cutler noted that it would go into the record of action.

The National Security Council:

a. Discussed the statement of policy contained in the reference report on the subject, and referred NSC 173 to the NSC Planning Board for revision in the light of the discussion.

b. Noted the President's desire that at least limited economic aid should be programmed for West Berlin for Fiscal Year 1955.

[Here follows discussion of items 5–8, the United States position with respect to Germany, United States objectives and courses of action with respect to Latin America, United States assistance to NATO allies, and the NSC status of projects.]

---

[2] NSC is an updated version of NSC 132/1 (Document 547). It also includes a financial appendix with two tables, an annex of recent statements by U.S. officials on Berlin, and a map of the Western approaches to Berlin. The memorandum from the Executive Secretariat transmitted the views of the Joint Chiefs of Staff on NSC 173. (Both S/S–NSC files, lot 63 D 351, NSC 173 Series)

No. 596

762A.00/1-1254: Telegram

The Director of the Berlin Element, HICOG (Parkman) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, January 12, 1954—1 p.m.

841. Re Department's 2022 to Bonn repeated Moscow 453, London 3566, Paris 2455, Berlin 440 and Bonn's 409 to Berlin repeated 2192 to Department, London 341, Paris 433, Moscow 127. [2]

US Commandant, after first informing British and French, last night talked privately with Dengin re Soviet tank memorial and Dr. Linse in manner outlined in Berlin's 832 to Bonn repeated Department 735, Moscow 133, London 49, Paris 61. [3]

After General Timberman had referred to tank memorial and stated that return of Dr. Linse would assuage feelings of West Berliners sufficiently to allow him to permit memorial's repair, Dengin replied that memorial, under which 10 Soviet heroes buried, had been defaced by hooligans who tomorrow, a Soviet aide interjected, equally capable taking similar action against "some US memorial". US Commandant, he maintained, was competent to authorize repairs and once he had done so no one would dare take attitude contrary his instructions. Question of "so-called Linse" he said, had been answered fully by Chuikov. He, Dengin, saw no connection between tank and Linse.

General Timberman thereupon pointed out that both tank memorial and Dr. Linse had become symbols for populace US sector. Tank was symbol of tyrannical system which had caused Linse's abduction. Linse would therefore have to be returned, and in good health, before rank could be repaired without arousing populace. If Linse returned, repairs on memorial could be begun next day, General Timberman stated.

Dengin again protested that he saw no connection between Linse and tank and said that Soviet military authorities had authorized him "to insist categorically on repair of tank". US Commandant then stated that he understood Soviet reasons for wishing repair

---

[1] Repeated to London, Paris, Moscow, and Washington; the source text is the copy in Department of State files.

[2] Telegrams 2022 and 409 approved the course of action proposed in telegram 832 (see footnote 3 below). (762A.00/1-1054 and 1-1154)

[3] Telegram 832 reported that at a meeting on Jan. 9 Dengin had approached Timberman and asked if arrangements could be made to repair the Soviet tank memorial which was in the U.S. Sector. Timberman proposed to reply that if Linse was released public opinion would be sufficiently tempered to allow repair of the memorial. (762A.00/1-1054)

memorial and Dengin must understand US reasons for desiring Linse's return. Return of Dr. Linse, he concluded, was only condition under which he could permit tank's repair. Both Dengin and General Timberman then promised think matter over.

General Timberman had intended make above approach during break in meeting but at request of British and French postponed it until after meeting terminated in order avoid any possible effect on meeting itself. Both British and French subsequently informed of outcome of approach. [4]

PARKMAN

[4] On Jan. 13 the Department of State replied that it entirely approved the manner in which Timberman had conducted the conversation with Dengin. (Telegram 456 to Berlin, 762A.00/1-1254)

No. 597

MSA-FOA telegram files, lot W 130, "Bonn Tousfo": Telegram

The United States High Commissioner for Germany (Conant) to the Foreign Operations Administration [1]

SECRET PRIORITY BONN, January 12, 1954—3 p.m.

Tousfo 468-A. Reference: (A) Usfoto 491, January 5 [2] (B) Tousfo 323, October 23. [3] Subject: Berlin Aid FY 1955

1. We believe Podeyn should not be informed at present time that Executive Branch now planning include in budget submission request for moderate amount aid for Berlin in FY 1955. This position based on following considerations:

2. In view strong economic position Federal Republic we are convinced Federal Government could and should increase its assistance to Berlin, not only in form of increased financial contribution but also by other measures designed to decrease Berlin's burden such as channeling Federal Republic procurement to Berlin, greater inducements for private capital investment, better performance in resettlement refugees now in Berlin, etc. We have made representations to this effect in past with some success, (net Federal Republic financial contribution has increased from DM 299 million in

[1] Transmitted in two sections and repeated to Berlin.

[2] Usfoto 491 reported that Hans Podeyn, head of the Federal Republic Marshall Plan Delegation in Washington, had asked about fiscal year 1955 aid for Berlin, stressing the political and psychological importance of U.S. aid and stating that both Bonn and Berlin were uneasy over alleged statements by Harris which expressed doubts about 1955 possibilities. (MSA-FOA telegram files, lot W 131, "Bonn Usfoto")

[3] Document 590.

GFY 1949/50 to approximately DM 1 billion in current GFY), but have observed that constant, unremitting US pressure is necessary to get results. However, probability that Federal Republic will augment present financial assistance to Berlin by substantial amount is slight (as previously indicated in reference telegram (B)). We think there is some prospect Federal Republic will increase contribution to work relief, improve its sagging performance on refugees and take steps to encourage private investment financing. We continue to regard amount new US aid requested for FY 1955 as being necessary for reasons indicated in reference telegram. Furthermore, we are convinced that additional German financial contribution, if obtained, will be insufficient and will not be in form of investment loans and equity financing which we believe are first priority requirements. Our concept US aid is that it should be supplementary to Federal Republic efforts and used only to finance programs such as risk investment loans and equity financing which we cannot reasonably expect Federal Republic to undertake.

3. We have observed that Federal Republic's willingness to provide additional assistance to Berlin is related to availability US funds. Federal Republic's planning appears to have taken into account not only currently available funds, but has postulated new US appropriation. Furthermore, Federal Republic has been inclined to use US aid for types of programs which Federal Republic should finance. Present emphasis of German Government is almost exclusively on order financing (which certainly should be provided by Federal Republic and commercial banks) and costly public works with low degree labor content in proportion to costs.

4. Consequently we have on several occasions urged increase in Federal Government financial assistance to Berlin. We have reemphasized strong US interest in Berlin but have cautioned against interpreting our desire to assist efforts to strengthen Berlin's economy as commitment to provide aid for indefinite future or to finance programs which Germans themselves could and should finance. We have pointed out US will be encouraged to continue its assistance if convinced Federal Government has made maximum effort within its capacity; conversely, future assistance will be adversely affected if it appears US aid is substitute for and not additional to private and Federal Government financing or will be used for programs which should be financed by German and not US taxpayers. We have mentioned Congress is preoccupied with US budgetary problems and that future economic assistance cannot be guaranteed. This approach has been followed by Conant in conversations with Adenauer, by Harris in discussions with Bluecher and by other mission representatives in talks with working level members Federal Government.

5. We have seen indications that our efforts are beginning to have some effect. When High Commissioner raised problem, Chancellor said he would establish high level committee comprised of Bluecher, Schaeffer, Erhard, Abs and Vocke [4] to discuss with mission problem of Berlin aid and ways of increasing Federal Republic's support. (This meeting was to have been held immediately after the New Year holiday but has been postponed on grounds subject still under discussion by Cabinet economic committee. Seems reasonable to infer that Germans may have delayed these discussions while Podeyn attempting to determine in Washington US intentions re FY 1955 Berlin aid.) Other favorable development is fact that apparently as result discussions mentioned above paragraph, Germans are beginning explore ways and means underwrite programs previously financed by counterpart funds. Berlin Central Bank recently came up with proposal for financing DM 100,000,000 order financing program from German funds. Even if this proposal not ultimately adopted we consider this development particularly significant since we have flatly refused to allocate for order financing any of the DM 60,000,000 due to be repaid into GARIOA special account on March 31, 1954 (see paragraph 8 F Tousfo 323).

6. We believe it would be advantageous to withhold from Germans at present fact that Executive Branch intends include item for Berlin aid in budget submission. Shortly before budget details become public, we think Germans should be advised by us that:

(a) Administration has requested moderate amount Berlin aid for FY 1955; usual explanation re illustrative nature country breakdown should be repeated.

(b) Aid request in no way assures final appropriation by Congress.

(c) Probability of appropriation would be improved if Germans augmented substantially Federal Government assistance to Berlin and implemented current equity financing and risk investment loan counterpart programs more aggressively and effectively.

(d) US aid will be appropriated only for specific programs such as equity financing and risk loans and not for programs such as order financing and public works which are properly obligations Federal Republic and Berlin.

7. In the event, however, that Podeyn already aware intention Executive Branch to request appropriation for Berlin, we believe you should confirm to Podeyn in Washington and we to Federal Republic that administration's budget does include figure for aid. It should be pointed out that this action designed solely to clear way for ultimate decision as to whether economic aid will be made

---

[4] Hermann Abs, head of the Foreign Department of the Deutsche Bank, Berlin, and Wilhelm Vocke, President of the Bank Deutscher *Laender*.

available for Berlin. We believe it essential to assert at same time points mentioned in paragraph 6 above as well as most of basic arguments outlined in paragraphs 2, 3 and 4 above.

8. We think these tactics would facilitate our efforts persuade Germans to increase Federal Government aid to Berlin and to obtain more satisfactory implementation existing counterpart programs. Please advise if you concur. Also would appreciate being informed when details of budget transmission will be made available to public.

CONANT

No. 598

762A.5 MSP/1-1854

The Acting Special Assistant to the Secretary of State (Nolting) to the Defense Adviser to the United States Special Representative in Europe (Voorhees), at Paris

SECRET [WASHINGTON,] January 18, 1954.

DEAR MR. VOORHEES: You will recall that you asked me just before you left to return to Paris to send you a note on our ideas on the relationship of OSP in Germany to other objectives of the United States there and to prospective U.S. negotiations with the Federal Republic. We are in general agreement with HICOG's telegram to you, 411 of December 31.[1] There are, however, some points which I think we emphasize more heavily than does HICOG and I think it will be helpful to you to know them.

You know, of course, the importance which we attach to our position in Berlin and to maintaining economic stability and welfare in the city. The needs of Berlin are very large and probably a complete recovery there is impossible as long as the present division of Germany remains. Our aid is intended in large part to encourage the Federal Republic to continue and increase its assistance to Berlin. Ambassador Conant is now engaged in an effort to obtain agreement to an increase in German aid to Berlin. Since, however, the needs of Berlin are still so great, it is doubtful that any likely increase in German assistance will reduce the need for U.S. assistance, but will permit some further improvement in Berlin without bringing about a fully satisfactory economic situation.

---

[1] Telegram 411 reported, *inter alia*, that HICOG favored the placing of as much of the OSP program for West Germany as possible in Berlin and added that firms in West Germany with branches or subsidiaries in Berlin should also get contracts. (762A.5 MSP/12-3153)

You may also have been informed that the President, Secretary of State, and Mr. Stassen, after considering the problem recently, decided on the amount of economic assistance which would be required in the coming fiscal year. Our ultimate aim is to come as close as possible to complete recovery in Berlin based on a more active commercial relationship between it and the rest of free Europe. In order to realize this objective it is very important that OSP be used in so far as can be helpful to increase the level of business in Berlin. This means not only direct purchases in Berlin but also encouragement of OSP contractors either in the Federal Republic or elsewhere in Europe to subcontract in Berlin and to place whatever business they possibly can there. While we can not believe that efforts along these lines can overcome the handicaps which Berlin's unnatural and difficult position imposes on it, the need is so great and unemployment is still at such a high level that any feasible increase in the orders placed in Berlin will be most helpful.

HICOG's telegram concentrates largely on the unusual situation in the Federal Republic. As we see it, an effort at this time to bargain the amount of OSP in the Federal Republic against concessions in other fields involves two major problems.

First, the Germans have just agreed to let us spend DM which are due to us in repayment for surplus property transferred to them some years ago without paying German taxes on the expenditures. The Germans consider that they have made a substantial concession since they consider OSP as exports and had expected to receive foreign exchange for it. They apparently expect OSP to be large enough to bring them foreign exchange as well as DM.

The second point, which is most confidential and could not possibly be discussed with the Germans at this stage, results from the examination which the NSC recently undertook of our future problems in connection with the German defense contribution and U.S. military assistance to Germany and the EDC. The study which was made for the NSC suggests that the Germans will have a substantial financial capability for defense and will themselves be able to pay for all the military equipment for their forces which can be procured elsewhere in Europe, including the U.K. This has suggested to us the possibility that Germany through the EDC might later be asked to pick up and pay for contracts to be placed in Germany destined for the use of German EDC contingents, particularly the vessels which the Navy is considering procuring in Germany.

We therefore believe that we should not attempt to bargain OSP contracts in Germany for concessions by the Germans since to do so could make it more difficult for us to take up with them and the EDC at the appropriate time the possibility, outlined above, which

could, we think, make possible very substantial savings in dollar funds.

I would like very much to have any comments you have on these ideas and I am sure that they will be carefully considered in the Department and the other agencies concerned. Please drop me a line if you get the chance or we can discuss this problem further the next time you are in Washington.

I am sending a copy of this letter to Ambassador Conant in Bonn.

Sincerely yours,

FREDERICK E. NOLTING, JR.

No. 599

Editorial Note

The question of Berlin and the new statement of policy on the city were discussed, among other things, at the 181st meeting of the National Security Council on Thursday, January 21. None of the discussion on United States policy on Berlin was declassified when this volume went to press.

No. 600

S/S–NSC files, lot 63 D 351, NSC 5404 Series

Statement of Policy by the National Security Council [1]

TOP SECRET [WASHINGTON, January 25, 1954.]
NSC 5404/1

. . . . . .

FINANCIAL APPENDIX

TOP SECRET [WASHINGTON,] December 1, 1953.

A. Special Provisions Relating to Berlin.

The position taken in the basic paper is in accordance with the Three Power Declaration at Paris, May 27, 1952, [2] and with legisla-

---

[1] NSC 5404/1 consists of a cover sheet, a note by the Executive Secretary which stated that it had been adopted by the Council on Jan. 21 and approved by the President on Jan. 25, a table of contents, a statement of policy, a financial appendix, two tables, and an annex. The statement of policy and the progress reports on NSC 5404/1 were not declassified when this volume went to press. Only the financial appendix is printed here.

[2] See Document 537.

tion enacted by the Congress in connection with the Economic Cooperation Act of 1948, as amended, and in the Mutual Security Act, Public Law 165, the 82nd Congress, and in the legislation appropriating funds for the conduct of the Department of State's operations in Germany. The sense of the public declarations referred to is not only that the United States will not abandon Berlin, but that it will strengthen and make maximum use of its position there. The legislative provisions cited indicate that Berlin is to have a special position with respect to authorized and appropriated funds and that special arrangements have been made by the Congress in order to provide for prompt and adequate action to maintain the Western position in Berlin and to lessen its vulnerability. For example, in the Mutual Security Act, there is the provision that "funds made available for carrying out the purpose of this Act in the Federal Republic of Germany may, as authorized in 114 (h) of the Economic Cooperation Act, as amended, 22nd United States Code, 1512 (b), be transferred by the President to any department or agencies for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany." These provisions were written into the legislation for the express purpose of safeguarding our position in Berlin. Similar Congressional intent was expressed in Public Law 547 of the 82nd Congress, where it was stated that currencies deposited in Germany in connection with surplus property of whatever nature and kind may be used "in an amount not to exceed the equivalent of $25 million; however, the *foregoing limitation shall not apply to currencies utilized hereunder for United States assistance to Berlin . . .*".* The special arrangements, which do not apply elsewhere, reflect the concern of the Congress for Berlin's unique position and our responsibilities there. They make formal provision for both the special need for funds to carry out our policy towards Berlin and for the need for flexibility in the management of those funds.

B. Cost of Maintaining Western Position in Berlin.

The maintenance of our position in Berlin, which has required that we keep troops there, that we feed the people to prevent disease and unrest in the early years of the occupation, that we assist their economic recovery with funds for investment and rehabilitation and that, in the period of Soviet blockade, we airlift essential supplies to them, has cost the Western world approximately 2 bil-

* This particular provision has not been repeated in the current year's appropriation act since it is inconsistent with the general approach by the Congress toward the use of local currencies, set forth in Sec. 1415 of Public Law 547. [Footnote and ellipsis in the source text.]

lion dollars in the years 1945–1952. The United States has provided approximately one-third of this sum, directly or indirectly, through its aid to the Federal Republic. Although Berlin is not a part of the Federal Republic of Germany, the latter has met the bulk of the rest of the cost of supporting Berlin (less than $200 million being spent by the British and French Governments) chiefly during the first stages of the occupation and during the airlift.

The cost of supporting Berlin has been levelling off in the past three years, and can be expected to be reduced further, largely as a result of the economic improvement which was made possible by the aid Berlin received. In the present fiscal year, the Federal Republic will provide about $300 million of support for Berlin, while over $100 million will be spent from United States aid or its counterpart provided from appropriations previous to 1954. In Fiscal Year 1955, it is estimated that Berlin will require about $350 million assistance. It is expected that approximately 12% of this will be derived from new United States appropriations, which will be supplemented by a carryover of undisbursed counterpart. The major burden will rest upon the Federal Republic. Even with improving conditions, however, it is still possible that the United States may have to continue to participate in the support of Berlin beyond 1955.

The specific programs now in operation in Berlin are described below. (See Table II [3])

1. *Economic Programs Designed to Decrease Unemployment and Increase Production. (Investment and Work Relief Programs)*

Although great progress has been made in restoring Berlin's economy, its external deficit, including its position with Western Germany, totals about $400 million annually and there are still approximately 210,000 unemployed in the city. It is essential in order to accomplish our political objectives in Berlin to program for a progressive reduction in unemployment of not less than 50,000 annually.

In order to raise living standards, reduce unemployment, and improve economic conditions, the United States and German officials have drawn up an investment program which, by channeling counterpart funds into desirable investment is aimed at doubling industrial output, reducing Berlin's external deficit and reducing unemployment by 50,000 annually. Although aid from the Federal Republic to Berlin, amounting annually to about $300–350 million, is far greater than United States aid, the form that United States aid takes makes it the dynamic and job-creating element in the Berlin economy. Bearing in mind the many uncertainties which can affect

[3] Not printed.

planning for Berlin, such as the loss of jobs by West Berliners now working in East Berlin, which among other factors requires increases in United States support of Berlin's work relief program, additional aid in the amount of $37 million is needed for Berlin's investment and work relief program for Fiscal Year 1955. This compares with $22 million appropriated in Fiscal Year 1953, supplemented by $50 million made available by President Eisenhower in June 1953, and expended largely in Fiscal Year 1954. Accordingly, only $15 million was appropriated in Fiscal Year 1954. (See Table I-A [4])

2. *The Berlin Stockpile and Airlift*

The vulnerability of Berlin was made clearly evident in 1948–49 when the blockading of Berlin by the Soviets made necessary the institution of an airlift, of which only the operating expenses cost the United States alone $216 million. At its conclusion, the United States, the United Kingdom, and France agreed that essential commodities should be accumulated in Berlin in order to lessen the vulnerability of the city to a new blockade, and this action was prescribed by NSC 132/1. [5] In developing this program, efforts have been made to accelerate the accumulation of such commodities, especially those impossible to airlift or of great bulk, as grain and coal and industrial raw materials.

While some portion of the raw materials component of the stockpile remains to be purchased, the schedule of procurement has been clarified and funds now on hand from Fiscal Year 1953 appropriations will make it possible to bring all essential elements of the stockpile to target levels.

3. *Special Measures Which May be Called for From Time to Time to Meet the Pressures Created by and Assure Adequate Provision for Refugees Coming into Berlin*

The continuing flow of refugees into West Berlin has created a tremendous strain on the city's economy. Although the vast majority of these are flown out to Western Germany as soon as possible, there remain in Berlin 4% of the total number of "recognized" and all the "non-recognized" refugees, which causes continued strain on Berlin resources.

One reason the Federal Republic has been unable to resettle more refugees has been the housing shortage in Western Germany. In order to alleviate this situation, the United States in Fiscal Year 1954 granted $15 million for housing construction for refugees, two-thirds of it to be used in West Germany, and one-third in Berlin. This sum will be matched by Federal Republic and Land Govern-

[4] Not printed.
[5] Document 547.

ment funds and should result, both in the movement of more refugees out of Berlin and improved conditions for the few who must remain there.

No funds have been requested to assure adequate provision for refugees in Berlin in Fiscal Year 1955, since it is anticipated that the Federal Republic will make adequate provision for this problem.

4. *Cost of Maintaining United States Occupation Forces in Berlin*

United States Forces in Berlin consist of Army constabulary, plus a small number of Air Force personnel involved in operation of Templehof Airbase. During the past two years, these forces have averaged approximately 6,000 and no change in number is anticipated under current conditions.

It is estimated that the cost to the United States of maintaining United States Forces in Berlin amounts to approximately $20 million per year, including military personnel costs. In addition to these United States dollar costs, the Army and Air Force receive occupation support in Berlin from the Berlin government equivalent to $18 million per year, as well as approximately $1.7 million per year in mandatory costs. The Berlin element of the High Commissioner for Germany also receives approximately $3.1 million per year from the Berlin government. (See Table I–B [6])

5. *Special Projects Designed Mainly to Strengthen the Position in East Berlin and the East Zone of Germany*

The support of United States objectives requires that adequate preparation be made to seize opportunities to influence the people of the Soviet Sector of Berlin and the Soviet Zone of Germany in ways that will benefit United States objectives. To date in this Fiscal Year, $15 million has been expended in financing special projects of this character. The food program, which is generally considered one of the actions most embarrassing to the Communists, constituted an effective and tangible proof to East Germans of United States interest in their welfare. This type of project in West Berlin, but designed to affect East Berlin or East Germany, is the type of program contemplated.

[6] Not printed.

No. 601

Editorial Note

From January 25 to February 18, the Foreign Ministers of the United States, the United Kingdom, France, and the Soviet Union

met at Berlin to discuss Germany and the Far East. For documentation on the conference, see Documents 352 ff. When it became obvious that the conference would not produce any results on Germany, a tripartite steering committee drafted letters to Semyenov and Dengin calling for the elimination of obstacles to freedom of movement between the zones of Germany and the sectors of Berlin. The letters were delivered on February 22 and released to the press the same day. For text of these letters, the replies by Semyenov and Dengin on March 6, and two further letters to Semyenov and Dengin, dated March 17, see Department of State *Bulletin*, April 5, 1954, pages 508–511. Documentation on these exchanges including text of the letters is in files 396.1 BE and 762.0221.

No. 602

762.00/5-2554: Circular airgram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL WASHINGTON, May 25, 1954.

CA-6855. HICOG will recall that a suggestion from the Department to propose new all-Berlin elections (contained Department's CA-2769 of November 19, 1953 [2]) was left in abeyance as a result of the subsequent Soviet acceptance of the Four Power Conference. The Department has been reconsidering this idea in the light of such recent developments as the SED announcement that it intends to participate in the forthcoming West Berlin elections and the statement of SPD Chairman Neuman designed to call the SED bluff by advocating all-Berlin elections (Berlin's despatch 854 [3]).

The Department is of the opinion that it would be appropriate to suggest once more free all-Berlin elections. This move could help demonstrate our continued interest in Berlin's future and place the Soviets once more on the defensive. Such a proposal (preferably based on an appeal by the West Berlin Government to the Allies) might be made to the Soviet authorities by either the three Allied High Commissioners or the Berlin Commandants. It would suggest that inasmuch as elections are now scheduled in the western sec-

---

[1] Drafted by Carlson and cleared by Bonbright, Lyon, Eleanor Dulles, Straus, and WE. Repeated to Berlin, London, Paris, and Moscow.

[2] Not printed. (762.00/11-1953)

[3] Despatch 854 reported on the eleventh Berlin SPD Parteitag, held May 8–9, during which Neuman had called for all-Berlin elections. (762A.00/5-1354)

tors and no municipal elections have been held in the Soviet sector since 1946, free all-Berlin elections should be held.

We would expect that the Soviets will in effect refuse the offer or employ evasive tactics. We believe that either type of response could be exposed and exploited.

In the unlikely event that the Soviets should agree in principle to all-Berlin elections, it would be necessary to assure acceptance of certain safeguards, e.g. use of the 1946 electoral law, guarantees requisite for truly free elections, and Four-Power agreement on the powers to be exercised vis-à-vis the government of a reunited Berlin. The latter would presumably be comparable to the position taken by the Allies at the Berlin Conference re an all-German Government, i.e. providing for a minimum of such "reserve powers", and their exercise only on the basis of majority vote.

If HICOG perceives no objection to the above proposal, the Department recommends that it be taken up with the appropriate British and French authorities.

DULLES

No. 603

Editorial Note

During the London Nine-Power Conference, September 28–October 3, the Governments of the United States, the United Kingdom, and France issued a declaration which reads in part:

"5. The security and welfare of Berlin and the maintenance of the position of the Three Powers there are regarded by the Three Powers as essential elements of the peace of the free world in the present international situation. Accordingly they will maintain armed forces within the territory of Berlin as long as their responsibilities require it. They therefore reaffirm that they will treat any attack against Berlin from any quarter as an attack upon their forces and themselves."

For text of this declaration and related documentation concerning the London Nine-Power Conference, see volume V, Part 2, pages 1294 ff.

Following the London conference further nine- and four-power discussions were held at Paris, resulting on October 23 in a series of agreements several of which affected Berlin or contained provisions dealing with the city. The first was a statement by the Foreign Ministers on Berlin which reads as follows:

"With respect to Berlin, in addition to the Allied security guarantees for the city in the London communiqué of October 3, 1954,

[the paragraph quoted above] the Foreign Ministers of France, the United Kingdom, and the United States have noted with deep satisfaction the close and friendly cooperation between the Allied and Berlin authorities. The Three Powers are determined to ensure the greatest possible degree of self-government in Berlin compatible with Berlin's special situation. Accordingly, the three Governments have instructed their representatives in Berlin to consult with the authorities of that city with a view to implementing jointly and to the fullest degree possible the foregoing principles." (Department of State *Bulletin*, November 15, 1954, page 732)

The second was a statement in the Tripartite Agreement on the Exercise of Retained Rights in Germany which reads as follows:

"3. Those rights which relate to Berlin will continue to be exercised in Berlin pursuant to existing procedures, subject to any future modifications which may be agreed."

For text of the Tripartite Agreement, see volume V, Part 2, page 1439.

The third and fourth agreements which affected Berlin were a Declaration by the Federal Republic of Germany on Relations with Berlin, May 26, 1952, as amended October 23, 1954, and a letter from the Allied High Commissioners to Chancellor Adenauer on the relations between the Federal Republic and Berlin, amending in a similar manner the previous letter of May 26, 1952. For the text of the two documents dated May 26, 1952, see Annex A to Document 51 and Document 58. For text of the Federal declaration, see *infra*; and for the text of the High Commissioners' letter, which is nearly the same as that printed as Document 58, see *Documents on Germany 1944–1985*, pages 437–438.

No. 604

Declaration by the Federal Republic of Germany on Relations With Berlin [1]

[PARIS, October 23, 1954.]

In view of the special role which Berlin has played and is destined to play in the future for the self-preservation of the free world,

aware of the ties connecting the Federal Republic with Berlin as the prospective capital of a free, reunified Germany,

resolved to consolidate these ties within the framework of the status of Berlin,

---

[1] Reprinted from *Documents on Germany 1944–1985*, p. 436.

resolved to continue its aid to the political, cultural, economic and financial reconstruction of Berlin, and

motivated by the desire to strengthen and to reinforce the position of Berlin in all fields, and in particular to bring about in so far as possible an improvement in the economic and financial situation in Berlin including its productive capacity and level of employment,

the Federal Republic undertakes

(a) to take all necessary measures on its part in order to ensure the maintenance of a balanced budget in Berlin through appropriate assistance;

(b) to take adequate measures for the equitable treatment of Berlin in the control and allocation of materials in short supply;

(c) to take adequate measures to ensure that Berlin also benefits from resources at the disposal of the Federal Republic received from outside sources, for the necessary further economic reconstruction of Berlin;

(d) to take all appropriate measures designed to promote the placing of public and private orders in the Berlin economy;

(e) to promote the development of Berlin's external trade, to accord Berlin such favored treatment in all matters of trade policy as circumstances warrant and to provide Berlin within the limit of possibility and in consideration of the participation of Berlin in the foreign currency control by the Federal Republic, with the necessary foreign currency;

(f) to take all necessary measures on its part to ensure that the city remains in the currency area of the Deutsche Mark West, and that an adequate money supply is maintained in the city;

(g) to assist in the maintaining in Berlin of adequate stock-piles of supplies for emergencies;

(h) to use its best efforts for the maintenance and improvement of trade and of communications and transportation facilities between Berlin and the Federal territory, and to cooperate in accordance with the means at its disposal in their protection or their re-establishment;

(i) to continue its effort to compensate, as heretofore, the disproportionate burden placed on Berlin as a result of the admission of refugees;

(j) to ensure the representation of Berlin and of the Berlin population outside Berlin, and to facilitate the inclusion of Berlin in the international agreements concluded by the Federal Republic, provided that this is not precluded by the nature of the agreements concerned.

ADENAUER

No. 605

662A.00/10-2954: Telegram

The Director of the Berlin Element, HICOG (Parkman) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL PRIORITY BERLIN, October 29, 1954—11 p.m.

312. Subject: Status of Berlin. Regarding steps to follow Ministerial Declaration of Intent on Berlin made at Paris, [2] we had originally considered following outline:

(a) Negotiations with British and French regarding modifications acceptable to Allies in 1952 Declaration.
(b) Genuine consultation with Germans.
(c) Promulgation of revised 1952 Declaration along lines contained in Bonn's despatch 824 of October 15, 1954. [3]

On second thought, however, we now definitely prefer variation of above course of action for number of reasons:

. . . . . .

(2) We also have received general impression that French initial bargaining position will be that 1952 Declaration represents in substance maximum which we should give Berlin. (British on contrary agree with us that 1952 document represents minimum even though they are not sure full extent to which substantive modifications can be made.)

Therefore, we now fear our original program would lead to one of two results:

(a) A long period of time—perhaps several months—would intervene between Ministers' Declaration and promulgation of new Berlin status, which would appear anti-climactic, or else.
(b) Because of British and US desire to avoid pitfall of (a), we would find ourselves obliged unduly to compromise with expected ultra-conservative French position and come out with document inadequately reflecting US and UK position. Other consideration is advisability taking action palatable to Berliners well before December fifth elections, gratuitously supply weapons to SPD and other adversaries present coalition.

As a result of what precedes, we now recommend following program: immediate application without official "promulgation" of 1952 Berlin Declaration in form of declaration by Commandants

---

[1] Repeated to Washington; the source text is the copy in Department of State files.

[2] See Document 603.

[3] Not printed. (662A.00/10-1554) For the 1952 Declaration on Berlin, see Document 538.

that they were taking this immediate step in accordance with spirit of Ministers' Declaration on Berlin at Paris and committing themselves to initiate consultations with Berlin authorities looking to further liberalization 1952 text in accordance with present spirit our relations with Berliners and the city's special situation. Obviously we would not engage in such course action without assurance that it was acceptable to Mayor Schreiber and his Senate. In this connection we have received indications that this revised program not very far from Mayor Schreiber's own thinking, and as a matter of fact fear German initiative along above lines, since we think possibilities gaining French acceptance much greater if program put to them by British and ourselves rather than as German initiative, which instinctively they ever resist.

Above position completely though informally agreed by Michael Rose who has just submitted following draft text possible Commandants' declaration:

"Mindful of their enduring responsibility for the security of Berlin and of their interest in its welfare,

Desiring to develop the close and cordial relations which have grown up between them and the Berlin city authorities.

Resolved to give effect with the least possible delay to the instructions which they have received from their respective governments,

The United States, French, and British Commandants,

Have taken steps to initiate consultations with the governing Mayor and the Senate of Berlin on the measures necessary to ensure in the future the greatest possible degree of self-government in Berlin compatible with Berlin's special situation.

Pending the conclusion of these consultations the Commandants will base their relationship with the Berlin authorities on the declaration which was published in Berlin on May 26, 1952, and will act in all respects as though that declaration were in force."

On purely local and *ad referendum* basis we plan initiate exploratory conversations with French early next week and discuss above approach with them. While not easy, we believe French agreement to above program possible and would aim for comments' [*Commandants'*] declaration between November tenth and fifteenth. We cannot do it sooner since British Commandant absent till then and would prefer not doing it later to avoid appearance of immediate pre-election maneuver. Will welcome Bonn's and Department's comments and hope for early authorization to proceed formally with above program. General Honnen concurs. [4]

PARKMAN

---

[4] On Nov. 2 the Department of State approved the course of action outlined here (telegram 224 to Berlin, 662A.00/10-2954) and on that day, and the following day, *Continued*

No. 606

662A.00/11-2454: Telegram

The Director of the Berlin Element, HICOG (Parkman) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, November 24, 1954—7 p.m.

366. Full Allied and German agreement now achieved on text commandants declaration of intent regarding future Allied-Berlin relationships. Formal communication to Governor Mayor and release to press contemplated afternoon November 25 for publication morning November 26.

Final text is that given in Berlin telegram November 12 sent Bonn 34 repeated Department 313 [2] modified in accordance proposal in paragraph 4 Berlin telegram November 12 sent Bonn 342 repeated Department 314. [3] British and French concurrence not obtainable without this modification.

British and French agreement was conditioned on complete acceptance by Berlin authorities of understanding (1) that list of matters with respect to which commandants "resolved to exercise their powers only to the extent necessary" is not exhaustive or all-inclusive and (2) that declaration is not replacement of existing statement of principles but only broad statement of intent without legal effect to be followed later by new basic document on Allied-Berlin relationships to be worked out in consultation with Berlin authorities. Both Governor Mayor Schreiber (CDU) and Speaker of House Suhr (SPD) concur in this understanding.

Final agreed text reads as follows:

Begin verbatim text:

"Acting in accordance with the instructions which they have received from their respective governments,

Having exchanged views with the Berlin authorities,

---

the Berlin Element discussed the proposal with the French, British, and Germans. The French remained opposed, while the British and Germans generally favored this approach, but the text of an interim statement was agreed *ad referendum*. (Telegram 293 from Berlin, Nov. 4, 662A.00/11-454)

[1] Repeated to London, Paris, Moscow, and Washington; the source text is the copy in Department of State files.

[2] Telegram 34 reported that the Germans had raised difficulties about the term "fundamental interests" which appeared in a draft of the declaration of intent. (762A.00/11-1254)

[3] Telegram 342 reported on various discussions of the draft declaration of intent and transmitted a revised text that would avoid the difficulties that were being caused by the term "fundamental interests". (662A.00/11-1254)

Desiring to develop further the close and cordial relations existing between them,

Mindful of their continuing responsibility for the security of Berlin and of their interest in its welfare,

Resolved to exercise their powers only to the extent necessary to maintain the status and security of Berlin, its economy, trade, and communications, to insure the maintenance and security of the Allied forces in Berlin, and to fulfill the obligations under international agreements and other commitments of their governments,

The US, French, and British commandants

Have decided to take, in close consultation with the Berlin authorities, the measures necessary to amend the statement of principles of 1951 [4] with a view to insuring in the future the greatest possible degree of executive, legislative, and judicial self-government in Berlin compatible with Berlin's special situation and in accordance with its constitution of September 1, 1950."

End verbatim text.

PARKMAN

---

[4] For documentation on the revised statement of principles for Berlin, see *Foreign Relations*, 1951, vol. III, Part 2, pp. 1828 ff.

VI. INTEREST OF THE UNITED STATES IN THE STATUS OF THE SAAR [1]

No. 607

762.022/1-3052: Telegram

The United States High Commissioner for Germany (McCloy) to the Department of State [2]

TOP SECRET PRIORITY MUNICH, January 30, 1952—10 p.m.

Unnumbered. For the Secretary. At Chancellor's request, Hallstein, Blankenhorn and Lenz flew to Munich to see me today and to tell me of the very serious nature of political crisis in Germany created by French announcement on Saar. [3] New designation of Grandval wld not of itself had great importance, except for fact that in German eyes it represented another step in long series of French unilateral acts tending further to emphasize separation of Saar from Germany and thus constituted violation of pledge given by France in exchange of letters at time of signature of Schuman Plan. [4] As such it has been real blow to those elements in Germany who sought understanding with France; it has undermined Chancellor's position, it has given opposition a popular plank and new life to Schumacher, and has created real doubts as to French intentions. Many people in Germany at loss to explain other motivation and considering worst possible timing suggest this act represents a deliberate effort, on part of French to sabotage or delay creation of EDC. [5]

Hallstein charged administration of Saar with violations of rights of inhabitants to express political opinions and claimed law which prohibits formulation of political parties unless approved by Hoffman (that is to say Grandval) was as anti-democratic as any practices in Soviet zone. He said only recourse from arbitrary deci-

---

[1] Continued from *Foreign Relations*, 1951, vol. III, Part 2, pp. 1970 ff.

[2] Repeated to Bonn, Paris, and London.

[3] On Jan. 25 the French announced that High Commissioner Grandval was being made the head of the French diplomatic mission to the Saar with the rank of Ambassador.

[4] For text of these letters, dated Apr. 18 and 21, 1951, see *Documents on the Saar*, vol. I, p. 303.

[5] For documentation on the negotiations for and ratification of the EDC Treaty, see vol. V, Part 1, pp. 571 ff.

sion of Saar Govt was appeal to an administrative court which, however, does not act. Two applications have been pending before this court for months. Hallstein suggests if Germans could receive assurances that free elections wld be permitted in Saar and objectionable features of this law eliminated this wld to some extent compensate for Grandval appointment and give German people some guarantee that *status quo* has not been changed. Mere statements to this effect are not enough.

Most serious aspect of situation, however, is that Bundestag debate which Chancellor has now decided cannot be postponed from February 7 because of pressure all factions will take place in embittered atmosphere. Unless Chancellor can point to some definite action on part of France confirming its declaration that nothing in present status of Saar has been modified, it is most unlikely government can secure majority for EDC in the debate. In this case it wld be forced either to abandon defense contribution and contractual relations or to resign and be replaced by SPD-controlled govt.

According to Hallstein, this view is shared by all leaders of coalition and it has been confirmed to us by other conversations, notably one I had with Ehard [*Erhard*] last night. [6] He is usually collected and objective but was greatly disturbed over this development. Do not wish to be alarmist but seriousness of present crisis shld not be minimized even though in part it has undoubtedly been created by local political considerations. I am for first time really worried over outcome.

Hallstein said Cabinet had yesterday discussed possible ways out and had come unanimously to conclusion situation cld only be saved if prior to Bundestag debate French wld either agree to bring about amendment of law limiting political freedom of parties in Saar or take some similar concrete action recognizing legitimate rights of German population. Such action wld not prejudice ultimate Saar settlement and could be accompanied by formal French and German declaration reiterating that final status of Saar territory can only be established in peace treaty or by earlier agreement mutually acceptable. Hallstein said purpose of this visit was to bespeak on behalf of Chancellor our urgent intervention to save EDC and our good offices in obtaining some such agreement from French.

I told Hallstein I sincerely believed that as long as Saar question remained unsettled it wld rise to trouble us every time we sought agreements on far more important issues. I said I was now prepared to recommend to you that we take initiative in obtaining a

[6] No record of this conversation has been found in Department of State files.

joint declaration which could be signed by US, UK, France, Germany and possibly Benelux and which wld indicate general European interest in Saar and determination of the signatories to bring about satisfactory settlement of issue without delay.

Hallstein said Chancellor had considered this possibility but had come to conclusion it was not enough. On previous occasions he had told Bundestag that he received assurances from the allies in regard Saar but now he must be able to present something more which wld enable him to demonstrate that action was being taken to remedy crisis.

I agreed to put Cabinet's proposal up to you but said I had serious doubts that it was a practical one in the circumstances, given present state of Parliamentary opinion in France and awkwardness for France of appearing to admit validity of charges of anti-democratic practices in Saar. If, however, as Hallstein alleged, Schuman would be willing to examine repeal of objectionable law I said this might be done in response to unofficial suggestion but it was doubtful whether anything cld be accomplished before Bundestag debate or in response to formal representations.

I also told Hallstein that if it were necessary inject new element in discussion the suggestion I have made might be modified to take form of an official declaration that US cannot permit this problem to block European unity and is prepared to participate in any effort to bring about early solution of Saar question in a manner which wld reflect new situation created by Franco-German association in coal and steel community and EDC. Hallstein felt this wld be preferable to mere declaration of Allied willingness to consider settlement before peace treaty but still believed it wld be insufficient unless accompanied by further French guarantees. He will discuss matter with Chancellor further tomorrow.

I recognize none of these suggestions seems entirely satisfactory but believe definite assurance from US that it is willing to take part in promptly working out a satisfactory solution may be of some help. I realize it wld have to be carefully worded in order not to give French any impression we are going back on assurances given them re Saar either at Moscow in 1947 [7] or later.

McCloy

---

[7] Regarding the U.S. assurance, given at the fourth session of the Council of Foreign Ministers in Moscow, Apr. 10, 1947, see CFM(47) (M) 116, *Germany 1947–1949*, p. 148, or Department of State *Bulletin*, Apr. 20, 1947, pp. 695–696.

No. 608

740.5/2-252

The Secretary of State to Foreign Minister Schuman [1]

SECRET FEBRUARY 4, 1952.

DEAR MR. SCHUMAN: [Here follows the first part of this letter in which Secretary Acheson discussed the forthcoming Lisbon meeting of the North Atlantic Council, German agreement on support for Allied troops, and security controls. For text of this letter, see volume V, Part 1, page 19.]

Third. The Saar. This matter bids fair to upset great and far-reaching plans. No one is more aware than I of the forces which produce this sort of a problem at the worst possible time. The response is not to complain but to surmount the difficulty. In my judgment the problem created is serious. It relates to what is said in your debate and in Adenauer's. This can make or break decisions of vast importance. Because of the timing of the debates it seems imperative that some action be taken now which will remove the question from current discussion or at least lessen present tensions. You and Adenauer are in a much better position than I to determine what can and should be done before the debate starts in the Bundestag. We have given much thought and offer these suggestions for your most earnest consideration:

(a) That you should again make a declaration concerning the intention of your Government not to prejudice the ultimate decision about the Saar.

(b) That France, the UK, the Federal Republic and the US issue without delay a joint declaration of their determination to initiate discussions, at an early date to bring about a satisfactory and final solution of the Saar problem. Mr. Bruce is available to help draft the joint declaration.

[Here follows the fourth part of this letter which discussed Germany and NATO.]

DEAN ACHESON

---

[1] Transmitted as an enclosure to despatch 2078 from Paris, Feb. 6, which merely explained that this was the final text of the letter handed by Ambassador Bruce to Foreign Minister Schuman on the evening of Feb. 4. The original draft of this letter was transmitted in telegram 4527 to Paris, Feb. 2 (repeated to London and Bonn). Telegram 4527 lists Acheson as the drafter but is signed by Bonbright. In his telegram 4698 from Paris, Feb. 3, Bruce recommended certain revisions in the draft letter, and telegram 4537, Feb. 3, to Paris, drafted and signed by Bonbright and cleared by Acheson, refined and approved the revisions.

No. 609

762A.022/2-552: Telegram

The United States High Commissioner for Germany (McCloy) to the Department of State [1]

SECRET NIACT BONN, February 5, 1952—10 p.m.

1435. Fr have informed Brit and ourselves this evening that Schuman prefers not to suggest Anglo-Amer intervention in Saar crisis as had been proposed by Gers (see Bonn's 1405, London 374, Paris 439 [2]) since this might imply pressure on France.

In substitution for Ger proposal Schuman has instructed Fr HICOM to make communication to Chancellor tomorrow morning along fol lines:

(1) In unofficial approach Chancellor has allowed it to be understood that he would be favorable to exchange of views in order to seek a definitive settlement of Saar question which would involve the creation of a Eur territory where certain supra-national Eur organs would be established. In a recent conversation with Hallstein Schuman recalling a previous declaration had declared that France would agree that the determination of the definite status of the Saar would be made the subj of an agreement prior to peace treaty concluded under identical conditions and that he would not object to an exchange of views for this purpose between the parties directly interested (i.e., Fr and Ger).

(2) As Schuman had said to Hallstein it would however be neces for the Fed Govt to indicate in advance the manner in which it envisaged the Europeanization of the Saar. It should also now be made clear on the Fr side that any Eur solution of the Saar problem must include the maintenance of the Franco-Saarois econ and monetary union as well as respect for Saar autonomy. Only on these bases could an exchange of views be undertaken.

(3) Schuman would have no objection if in Bundestag debate Chancellor should say that he knows France is not opposed to beginning study of a definitive settlement prior to and in place of the peace treaty. During the debate in the Fr assembly Schuman cld reflect the Chancellor's declaration.

We were not given copies of the foregoing communication but only could take notes. It was explained at the same time that France would only be prepared to enter upon this exchange of

---

[1] Repeated to London and Paris.

[2] Telegram 1405 reported that Blankenhorn had been authorized to suggest a formula for solving the Saar crisis along the following lines: the United States and the United Kingdom would propose an immediate exchange of views between the French and German Governments to bring about a definitive Saar settlement that would be submitted to the Saar population for approval. The settlement would involve the creation of a European territory in the area of Saarbrucken where certain supranational European organizations would have their seat. (762A.022/2-352)

views with Ger if it received assurances that in conformity with previous undertakings US and UK would continue to maintain their position with respect to the maintenance of the Franco-Saarois econ and monetary union and the autonomy of the Saar.

Although we indicated to Fr that their communication did not appear satis to us on first reading we are informed that it will be given Gers tomorrow. In our opinion introduction of conditions for any exchange of views and the tone are not designed to help situation here and will definitely increase difficulties in obtaining satis settlement of such issues as Ger relationship to NATO and security controls (in latter connection see report of our talk with Chancellor today which follows in separate tel [3]). It is doubtful if Adenauer will be able to make enough out of Fr communication to offset attacks in Bundestag.

McCloy

[3] Telegram 1437 from Bonn, Feb. 6. (762A.0221/2-652)

No. 610

762.022/2-652: Telegram

The Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, February 6, 1952—1:02 a.m.
NIACT PRIORITY

4603. Eyes only for Bruce. We are deeply concerned by report in Bonn 1435, rpt London 380, Paris 447 [2] that French, after receipt of views of the Secy on the Saar, including suggestions on his part in effort to be helpful, and your offer to stand by for immed assistance, shld take action reported above reftel prior to any response to our suggestions. This is particularly disturbing as proposal apparently calls for assurances and commitments on part of this Govt.

Although we do not know exact proposal doubt very much from our understanding of situation that Adenauer can agree to conditions attached to discussions. If this is true, and matter is leaked to press, effort will probably only result in further hardening of positions.

Believe French must be made to realize that the US, by virtue its status of occupying power, and as party to original Saar under-

[1] Drafted by Byroade and cleared in draft with Perkins. Repeated to Bonn eyes only for McCloy, and to London eyes only for Gifford.

[2] *Supra.*

standing, expects to be consulted on any future move on this question. Neither can we remain passive while situations develop which threaten to disrupt progress on issues in Eur on which we have such a vital stake.

Request therefore that you approach Schuman at earliest possible hour in morning with indication of our feeling in manner you consider most appropriate. He shld be informed that, while we have not seen statement, our reprs in Ger fear it may be harmful. We request therefore that transmission of statement to the Chancellor be delayed until reprs of occupying powers can all consider its implications and whether it is something the occupying powers can support at this time.

For Paris message center: this message and reftel shld be delivered personally to Bruce prior to 8:00 a.m.

ACHESON

No. 611

762.022/2-652: Telegram

The Ambassador in France (Bruce) to the Department of State [1]

SECRET NIACT PARIS, February 6, 1952—2 p.m.

4778. Eyes only for the Secretary. I went to see Schuman this morning and Bonsal saw Parodi. We expressed concern felt by US Government over proposed French statement to Germans regarding Saar question.

Schuman said he thought there was some misunderstanding on our part regarding this matter. Blankenhorn by direction of the Chancellor had yesterday unofficially discussed with a functionary in Francois-Poncet's office how the French might be helpful to the Chancellor in furnishing the latter with ammunition for the forthcoming debate in Bundestag.

It was in this spirit that the French had considered Blankenhorn conversation and reply which is to be made today will remain unofficial and will not involve in any respect the other occupying authorities.

Schuman felt that at this time in view of tension in Germany and France any public declaration would do more good than harm.

Accordingly Francois-Poncet has been instructed to reply unofficially through his subordinate if he so desires to take this German initiative generally as follows; and in oral not written form:

---

[1] Repeated to London eyes only for Gifford, and to Bonn eyes only for McCloy.

1. Confirmation of previous French attitude that definitive political states of Saar should be settled by treaty without awaiting the negotiation of an overall peace treaty. This would assume that the assent to this method of procedure on the part of Western Powers who would sign the peace treaty would be obtained, and also that population of Saar would likewise assent.

2. French Government would accept a proposal for an immediate exchange of views on the possibility of such a treaty.

3. French Government in theory accepts the idea of finding a European solution to this problem, the terms of which remain to be defined.

4. French insist upon maintenance of present Franco-Saarois economic union (Schuman was very emphatic in connection with this point in saying that he had deleted all language which might have indicated any reference to the position of the other occupying powers in this regard. That this was a unilateral condition posed by France and would not mention the US and UK).

In further conversation Schuman reiterated that he did not consider that the approach by Blankenhorn or the French reply thereto represented anything more than a "sondage" (probing), which leaves US and UK completely free to move as they wish in this affair. It is not even an official statement by French Government and is designed to assist Adenauer in the form that Schuman believes Adenauer wants such assistance to take.

Since the initiative came from the Germans, a failure to reply by the French would have been incorrect and uncooperative. If such a reply had been made by the Three Occupying Powers, it would have required a negotiation between the Three Governments and could not have been effective in strengthening Adenauer's position for his debate tomorrow, if for no other reason because of the time element involved. It would also have given an official character to this reply which would not have been helpful either in France or Germany. Psychologically this unofficial response is better from the standpoint of both German and French public opinion than would have been a declaration from the Three Allies.

Schuman added that he hoped to have ready a reply to the Secretary's letter tonight. [2] He had expected to have done this yesterday but due to parliamentary debates, appearance before Assembly and Senate comites, Cabinet meetings, discussion of posing vote of confidence and other involvements, he has not been to bed for 36 hours and has been unable to address himself to formulating a response.

BRUCE

---

[2] For Schuman's reply, which dealt with the German question and European security, see vol. v, Part 1, p. 26.

No. 612

Editorial Note

During the meetings of the Foreign Ministers of the United States, the United Kingdom, France, and the Federal Republic of Germany in London, February 13–19, Secretary Acheson and Foreign Secretary Eden recommended to Adenauer and Schuman that they attempt to come to an agreement on the Saar, and stated that they would for the time being confine themselves to offering their good offices for this effort. A preliminary conversation between Adenauer and Schuman was held in London at which it was agreed to continue the talks in March. For documentation on the London meetings, see volume V, Part 1, pages 36 ff.

No. 613

Editorial Note

On March 11 Byroade and Hallstein discussed various questions of mutual concern including the Saar. For a record of their conversation, see the memorandum of conversation, Document 143.

No. 614

762.022/3–2052: Telegram

The Chargé in France (Bonsal) to the Department of State [1]

SECRET PARIS, March 20, 1952—2 p.m.

5726. For the Secretary from McCloy. Long talk with Chancellor last night. He was deeply concerned over Saar and form of Sov note. [2] Earlier in the day I had recd from him his understanding of an agreement he had reached the day before on the Saar on the basis of which he wld be prepared to take the Saar question off the agenda for today's mtg. [3] He was angry over the fact that Schuman had not confirmed this understanding and much angrier when he read Grandval's speech of yesterday. [4] I again urged moderation

---

[1] Repeated to Bonn.

[2] For the Soviet note of Mar. 10, see Document 65.

[3] The meetings between Schuman and Adenauer on Mar. 18 and 20 were a continuation of the talks during the London Foreign Ministers meetings.

[4] At a luncheon of the Anglo-American Press Association in Paris on Mar. 19 Grandval had stated, *inter alia*, that a union of the Saar with the Federal Republic of Germany would destroy the equilibrium of the Schuman Plan.

and suggested basis on which I thought Saar agreement might be more palatable to French. Now Blankenhorn has just advised me Chancellor has reached new understanding with Schuman along fol lines:

1. Saarbrucken to be site of Schuman Plan authority;
2. Saar to have political autonomy under certain supervision by superstructure erected within the European Council whose exact form not yet clearly defined.
3. Saar people to approve the new arrangement upon the basis of free elections and by means of a newly elected *Landtag*. The elections to be supervised by French German Saar Commission appointed by three govts, perhaps with Allied observers i.e. UK and US.
4. The economic arrangement with France to be subj to confirmation by the new *Landtag*.
5. France and Germany agree to keep hands off any attempt to influence elections.
6. Some border part of Saar territory still subj to negotiation to be returned to Federal Republic.

Chancellor feels he can get Bundestag support for this program but at least he is prepared to withhold from agenda any argument on the Saar before the Council.

[Here follows a brief discussion of the Chancellor's reaction to the Soviet note of March 10.]

I am keeping well out of formal picture and in spite of some anomaly in my position plan stay in Paris until Chancellor leaves here tomorrow in the possibility I can be useful in what I feel so decisively affects our German objectives. [5]

Intend go from here to Munich hospital for final treatment of leg Friday night. This may take a week or so but wld appreciate being advised as soon as possible info as to when I am apt to be called to Washington to testify.

BONSAL

---

[5] The following day Bonsal reported that the discussions between the French and West Germans on Mar. 18 and 19, at Paris, had brought agreement on two things: (a) pursuit of a definitive agreement on the Saar prior to a peace treaty with the settlement to be approved by the United States, the United Kingdom, and the Saar and (b) examination with Saar representatives of the conditions for free and democratic elections in the Saar. Bonsal went on to say that it was not clear whether the interpretations of these agreements were the same on both sides. (Telegram 5789 from Paris, Mar. 21, 762.022/3-2152)

No. 615

762.022/4-2352: Telegram

The United States High Commissioner for Germany (McCloy) to the Department of State [1]

SECRET BONN, April 23, 1952—7 p.m.

2484. Chancellor raised Saar question privately with me and Ward after HICOM meeting yesterday. He reviewed his Saar conversations with Schuman and reiterated three fol points on which he stated that complete agreement had been reached: (1) In general, Schuman had agreed that the newly elected Saar *Landtag* shld have the last word and, in particular, shld decide whether the conventions with France shld be retained or wld vanish in some sort of "Europeanization"; (2) The "Europeanization" of Saar and maintenance of conventions wld only be possible if new *Landtag* shld so agree; (3) Schuman himself had desired that newly elected *Landtag* shld make decision on retention of conventions.

Subsequently, Adenauer claims, Schuman had declared in French Assembly that conventions would be maintained which is flatly contrary to his statement to Chancellor. Chancellor now faced with debate on Saar April 23 in Bundestag and may be forced to repudiate Schuman's statement to Assembly.

Respecting agrmt that FedRep and Fr shld send dels to examine conditions for free elections in Saar together with Saar Govt reps, Chancellor has now learned that his proposal to name members of this comm has been rejected in sharp answer expected today. Law on polit parties in Saar compels all parties to observe Saar constitution whose preamble requires separation from Ger. Adenauer thought that he had agreement with Schuman that present preamble did not hinder formation of new parties as this was made clear in his ltr to Schuman with which the latter agreed. [2] Chancellor believes that Schuman statement is contrary to agrmt.

In the meantime, Chancellor stated the situation has been sharpened by action of Francois-Poncet in banning of *Neue Saar Zeitung* although he did not defend in any way tone of the articles. I strongly deplored the attack on Grandval which I thought was harmful to Franco-Ger relations and in bad taste, particularly from a paper that reportedly received a subsidy from the FedRep. Chancellor denied that any subsidy was granted.

---

[1] Repeated to Paris and London.

[2] Apparently a reference to a letter which Adenauer sent to Schuman on Mar. 19 outlining the points of agreement on the Saar that had been reached on Mar. 18. This letter is summarized in telegram 2162 from Bonn, Mar. 27. (762.022/3-2752)

I expressed some surprise that Schuman had agreed to give Saar *Landtag* auth to annul econ conventions. Chancellor intervened to state that econ conventions contained clause stating they can be annulled if Saar obtains new status. Nonetheless, I said that the Fr FonOff had given the opposite impression and laid emphasis upon the "Europeanization" of the Saar and some type of polit autonomy. The Fr FonOff was talking vaguely about the polit freedom of the Saar but gave no intimation of abandoning econ conventions. I said we must keep after the problem and find some solution. At present the US Govt, and I believe this was the case with the UK, was not inclined to intervene in the hope that a Franco-Ger solution cld be worked out. Adenauer thought nothing much cld be done before the Bundestag debate, but believed that pressure from London and Wash wld become necessary eventually. In case some solution toward "Europeanization" were found, he thought that minor territorial concessions shld be made to the FedRep after a plebiscite and that Schuman had agreed to this. He also thought that small Fr territorial concessions such as Forbach shld be made in which this territory shld be included in the Saar. We expressed grave doubts of Fr agreeing to latter point and Chancellor admitted that it wld be difficult.

I agree with Paris Emb that Saar question shld not be used to complicate EDC negots, but it nonetheless remains an important factor in getting the eventual EDC agrmt thru both Parliaments. In this regard, it occurs to us that statements to the effect that negots are under way might well be used to answer questions that will probably arise in the Bundestag and in the Assembly.

With respect to the substance of the problem, I continue to hold the opinion that no final solution to the Saar problem will be found without pressure from the outside upon both France and Ger. This is already indicated by the difficulties that have arisen between Adenauer and Schuman, due possibly to difference of interpretation of agrmt of March 19, and the polit pressures both of them will be under not to recede from fixed positions. Only by removing this problem from arena of Franco-Ger acrimony and pushing for solution that corresponds to larger interests involved can we hope for satis settlement. This means in simplest terms Anglo-Amer intervention with some very plain speaking both in Bonn, where emphasis must be placed upon necessity of aiming at non-Ger solution, and in Paris, where the right to free elections must be recognized. Chancellor will prepare and give to us in near future his ideas on long-term solution of Saar problem which we will transmit with our comment.

McCloy

No. 616

Editorial Note

Among the agreements signed on May 26 at Bonn was a letter from Chancellor Adenauer to the Allied High Commissioners which stated that none of the agreements referring to the Saar in the complex of the contractual arrangements implied any recognition by the Federal Republic of the present status of the Saar. For text of this letter, see AGSEC/Memo(52)7 Appendix "D" (2), Document 59.

No. 617

762.022/6–1152: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

TOP SECRET WASHINGTON, June 11, 1952—7:51 p.m.

6559. Secy and Eden agreed in Eur on US–UK bilateral talks on Saar. [2] Brit Emb says their understanding is that these will take place in Wash as Dept had hoped. We wld like to hold these soonest, since we are disturbed by potential difficulties implicit in current Fr activities re Saar. Revision Fr-Saar conventions (Strasbourg 174, rptd Bonn 34, Paris 107, London 33 [3]) is likely to bring about strong Ger reaction. If this shld result in Gers making ratification of contractuals and EDC treaty conditional on Saar settlement, which is possibility that cannot be excluded, we will be faced with crisis of major proportions. Furthermore Fr proposal that Saar be given observer status in ILO (Deptel 7236 to Paris, rptd Bonn 3561, London 6438, Strasbourg 66 [4]) indicates revival Fr efforts to get internatl recognition for Saar by having it admitted as separate entity to internatl orgs. This is not only likely to run into Ger resistance but is contrary to stated US policy on Saar (Dept A–1755 to Paris May 1, 1951 [5]). Meanwhile we cannot expect Gers to

---

[1] Drafted by Ausland and cleared in draft with Riddleberger, McCloy who was in Washington for consultations, and McBride. Repeated to Paris, Bonn, and Strasbourg.

[2] Eden and Acheson had briefly discussed the Saar on May 27 at Paris where the Foreign Ministers were for the signing of the EDC Treaty. The following day Roberts transmitted to Perkins a paper giving the British position. A copy of this paper, outlined in the following paragraphs, is in file 762.022/5–2752.

[3] Not printed. (740.00/6–152)

[4] Telegram 7236 reported that the French had requested observer status for the Saar at the 35th ILO Conference. (398.06 ILO/6–652)

[5] *Foreign Relations*, 1951, vol. III, Part 2, p. 1970.

remain inactive re Saar. FedRep may revive complaints re democratic liberties in Saar and, in absence of settlement, we must not be surprised if Gers attempt utilize approaching campaign for elections to one-third of Saar *Landtag* to advance Ger claims re Saar. We believe best way avoid having cope with Saar in crisis atmosphere is for US and UK advance joint proposals to Fr and Gers as basis for negot on Saar settlement.

Fol are our views on Brit paper (Paris 7406, rptd London 2078 [6]), on which we wld appreciate your, Bonn's and Paris' comments soonest:

1. *Parties to Saar negots and agreement.* Brit propose "arrangements shld be agreed between Fr and Ger Govts, with concurrence of US and HMG". Schuman–Adenauer Paris formula [7] apparently contemplated Fr–Ger negot of settlement subj US–UK approval plus possibility sig of agreement by Benelux countries. We think US and UK shld be parties to negot since they wld be signatories to agreement which wld presumably constitute settlement. Furthermore, cause of western defense and integration cannot stand another breakdown on Saar question similar to last one when Schuman and Adenauer attempted work out solution by themselves, and we seriously doubt if any settlement can be reached without active US–UK participation.

2. *Status of settlement agreement.* Brit paper proposes that it shld be "without prejudice to final determination of Gers frontiers in any eventual peace settlement". We agree that settlement must be formally provisional pending peace treaty.

3. *Seat of Eur auths.* Brit paper proposes "Saar shld become as far as possible seat of various projected Eur auths, especially those of Schuman Plan". Adenauer and Schuman apparently agreed propose that Saarbruecken become seat Schuman Plan. We agree it wld facilitate acceptance settlement if at least Schuman Plan auth located in Saar.

4. *Procedure.* Saar settlement can be divided into three major aspects: polit settlement, econ settlement and obtaining Saar agreement thereto. We assume Brit paper contemplates taking up polit and econ settlement together and then getting Saar approval. As we understand Schuman–Adenauer Paris formula, they contemplated reaching agreement on polit status Saar, then getting agreement of Saar through new *Landtag,* and finally reaching detailed econ settlement. We do understand that some gen understanding on econ status wld be necessary when polit status discussed but we can see many advantages postponing detailed econ settlement if at all possible. This wld also give newly elected Saar *Landtag* opportunity participate in decision questions in which Saar is primary interested party.

5. *Polit Settlement.* Brit paper proposes "Saar shld be placed in some way under trusteeship of Comite of Mins of Council of Europe". Adenauer and Schuman apparently agreed to this ar-

---

[6] Telegram 7406 also transmitted the text of the British paper. (762.022/5–2852)

[7] Regarding this formula, see telegram 5726, Document 614.

rangement also. We understand however that Ger coalition leaders rejected this "Europeanization" of Saar. We start from assumption that any settlement on Saar at present must be based on polit separation of Saar from both Fr and FedRep. While sovereign Saar wld be much the simplest arrangement, this wld seem to us to be even less acceptable to Ger opinion than placing it under Eur org. Next best thing to sovereignty therefore is placing it under Council of Europe but giving it maximum control over its own affairs. Fr and Ger wld then have place to lodge complaints re any actions of other which infringed on its interests. Council might also be given control of Saar's fon relations, as Schuman seems to have in mind (Paris 6061, rptd London 1661, Bonn 608, Strasbourg unn [8]).

6. *Agreement of Saar population.* Brit paper proposes "Agreement of Saar population to this proposed settlement shld be given by new freely elected *Landtag.* In these elections parties shld no longer be banned simply because they aim at return of Saar to Ger at some future date. All parties shld consist of estab residents of Saar and shld be financed only from contributions by such residents. Estab residents of Saar shld not be expelled from Saar terr. Fr and Gers wld not in any way seek to influence these elections or attitude of resultant govt. Election shld be supervised by Comm set up by Council of Europe which wld not contain Reps of Fr, Ger or Saar". We wld agree to this. In view of possible Fr willingness license parties which wld campaign for return to Ger "at time when definitive peace treaty comes into operation" (Paris 7462, rptd Bonn 926, London, Strasbourg, unn [9]), we can hope for Fr acceptance Brit suggestion. We believe it might be useful stipulate that prior to elections agreement wld be only initialed by four powers and that after elections Saar cld propose amendments to agreement, which, if accepted by four powers, wld be made.

7. *Econ Settlement.* Brit paper proposes that Saar shld have full econ freedom except "that Fr shld have lease of fifty years in Saar coal fields and railways, which shld be administered as at present regulated under convs between Fr and Saar. Further, output of Saar mines and iron and steel industry shld be included in figures for Fr for purposes of Schuman Plan". While we wld be prepared support such a settlement even though we expressed at the time strong reservations with regard to Fr-Saar convention on mines, we doubt Fr Govt cld accept it. We wld probably be prepared after Saar *Landtag* has approved polit settlement, to support whatever econ arrangements Saar believed in its best interests and that it cld get Fr and Gers to accept.

8. *Final settlement.* Brit paper proposes "This situation shld, however, be regarded as temporary, and a final settlement shld be sketched out on fol lines: (i) Within five years of 'Europeanization' of Saar, and in absence of Ger peace settlement, a plebiscite shld be held in Saar terr to decide whether Saar wished to remain in its

[8] Telegram 6061 transmitted excerpts from Schuman's statement on the Saar before the Council of the Republic on Apr. 1. (762.022/4-252)

[9] Telegram 7462 stated that the press in Paris had reported the appearance of a new Social Democratic Party in the Saar whose program included a statement that the Saar was an integral part of Germany. (740.00/5-2952)

existing 'Eur' status, to return to Ger, to unite with Fr or to become completely independent. (ii) In any case Fr shld be granted a lease of mines and railways of Saar for 50 years with option of renewal at end of this period. (iii) This basis for final settlement wld be announced at time any provisional *modus vivendi* was reached, though it might be indicated that it was hoped that growing integration of Eur will make such a final settlement unnecessary". We believe any settlement reached shld stand until peace treaty, subj to revision by agreement among signatory powers. We do not think a plebiscite is advisable or necessary, as long as Saar can elect own *Landtag* periodically. Prospect of plebiscite wld undermine Eur settlement. Fr wld not agree to such an arrangement and even Adenauer believes plebiscite in Saar undesirable. It is most important Gers do not learn of Brit suggestion re plebiscite.

Convey above as tentative US views to FonOff and suggest they send instrs Brit Emb here, so we can proceed with bilateral talks Washington in near future. We wld like reach maximum agreement with Brit on this matter prior Secy's departure for Europe June 22.

McCloy has seen this tel and concurs.

ACHESON

No. 618

762.022/6-2152: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, June 21, 1952—3:57 p.m.

6834. At official level talks yesterday reps Dept and Brit Emb reached substantial agreement regarding basis for Saar settlement. It was determined govts already in agreement on fol points:

1. Any arrangements shld be without prejudice final determination Ger frontiers in peace settlement.
2. Saar shld become so far as possible seat of various projected Eur auths especially those of Schuman Plan.
3. Saar shld be placed under appropriate Eur org, probably Comite of Mins Council of Eur.
4. Fifty-year lease of Saar mines by France and joint Franco-Saar operation of Saar railways shld continue. For purposes Schuman Plan output of Saar mines and iron and steel industries to be included in figures for France.
5. Agreement of Saar population to projected settlement shld be given by new freely-elected *Landtag*. (Details re elections were also tentatively agreed.)

---

[1] Drafted by Hillenbrand and cleared in substance with McBride. Repeated to Bonn, Paris, and Strasbourg.

Re points previously disagreed fol adjustments made subj approval by Govts:

1. US and UK shld advance their proposals on basis for Saar settlement at appropriate time. Fr and Gers shld then be allowed proceed bilaterally with understanding that any agreement reached subj to US–UK concurrence and that if insuperable obstacles encountered US–UK wld be consulted before negots permitted to break down.

2. Re econ arrangements other than for mines and railways Fr shld review remaining conventions with new Saar govt. Saar wld also be free to negot econ agreements with countries other than France so long as they not inconsistent with Franco-Saar arrangements.

3. New Saar govt or *Landtag* shld be able propose amendments to agreement on gen settlement. Saar elections to be held within 4 months of initialing of agreement in order avoid protracted delay prior to sig and ratification.

4. Consideration to be given in subsequent Wash talks to whether any proposals concerning Saar frontiers shld be made.

5. Idea of plebiscite to be dropped. Contemplated settlement shld stand until peace treaty except as revised by agreement among signatory powers with concurrence of US–UK. These powers shld review situation 5 years after gen settlement, in consultation with US–UK.

Negotiating paper prepared for Secy's talks with Eden proposes Secy take position we move ahead as quickly as possible with completion agreed paper through medium US–UK official-level talks in Wash. [2] If any questions of substance raised by Eden we shld seek agreement to positions as formulated above. [3]

ACHESON

---

[2] For a record of Acheson's discussion of the Saar with Eden on June 24, see Secto 2, *infra*.

[3] The bilateral talks in Washington concerning the Saar continued sporadically throughout 1952 and 1953. An agreed position paper was drafted in June 1952 and subsequently revised in light of Foreign Office comments. (762.022/6–3052) A revised paper, dated July 22, 1952, is in file 762.022/7–2352. It presents the position substantially as outlined in this telegram. The position paper was continually updated and revised in light of developments concerning the Saar. The revisions that have been identified are in file 762.022.

No. 619

762.022/6–2452: Telegram

The Secretary of State to the Department of State [1]

TOP SECRET LONDON, June 24, 1952—4 p.m.

Secto 2. Secretary and Eden this morning noted that practically complete agreement had been reached on principles of joint US–UK action re Saar and that it remains to produce agreed bipartite paper in Washington as soon as possible. It was agreed mention privately to Schuman importance of taking no action of any kind, including revision Franco-Saar Convention, pending EDC ratifications. Secretary and Eden will therefore take occasion raise subject with Schuman privately when no other members French delegation are present. Secrecy considered of the first importance.

ACHESON

[1] Repeated to Bonn, Paris, and Strasbourg.

Secretary Acheson was in London on the first leg of a trip to London, Berlin, Vienna, and Rio de Janeiro. Regarding his visit to Berlin, see telegram 1375 from Berlin, Document 551. Regarding his visit to Vienna, see the editorial note and telegrams 8 and 23, Documents 805–807.

No. 620

762.022/7–2552: Telegram

The Acting United States High Commissioner for Germany (Reber) to the Department of State [1]

SECRET NIACT BONN, July 25, 1952—6 p.m.

344. In a conversation with Grandval, who was in Bonn for a few hours today, he indicated that last night's agreement to De Gasperi proposal calling for Franco-German negotiations for Saar settlement prior to final selection of permanent site of Schuman Plan authority wld create the necessary new factor justifying postponement of Saar elections. [2] Grandval said for the first time in a long while he was optimistic regarding possibility of finding solution of Saar problem and said he wld be prepared to urge Saar Govt to postpone elections until next year if inauguration of these negotiations gave hope that Ger wld not reject Eur solution. He was convinced this way offered only hope and said Saar population wld

[1] Repeated to London, Paris, and Strasbourg.

[2] Reference is to the proposal made by Italian Foreign Minister de Gasperi at the meeting of the Foreign Ministers of the Schuman Plan countries, July 23–24.

welcome such a solution. He also felt that if Gers cld be persuaded not to make too many conditions France on its part wld be ready to make certain concessions including a possible token cession of area to the European territory.

As regards admission new parties, Grandval said Saar Govt was strongly opposed to their recognition at this time and he shared their concern that new parties wld only create an element working against Eur solution. He said postponement of elections might be facilitated if Gers wld agree not press for authorization of the new parties at least until negotiations are further advanced. I pointed out that definite exclusion of new parties during negotiation wld easily prove fatal to chances for success in Ger. Grandval thought some pretext cld be found for further delaying decision.

From Grandval report and information received from French here it appears that on their side French are now disposed to make a sincere effort to reach solution at this time. I have not yet seen the German representatives who are due to return from Paris tonight but hope to report their views further tomorrow when I may see Chancellor before he leaves for his 4-week vacation. If I do I shall endeavor to ascertain his views regarding selection of Saar as site of Eur institution and assume that I am authorized to indicate our support for this proposal particularly if, in his opinion, it will facilitate definitive settlement of problem. I shall also endeavor to ascertain whether elections were postponed Chancellor wld be prepared once more to put off FedRep's complaint to Council of Eur, particularly if negotiations appear likely to have successful outcome.

I shld appreciate prompt indication whether Dept wishes this matter pursued here now that an opportunity seems to have been created for possible fruitful negotiations which may, however, need our support if Eur solution is to be found.

REBER

No. 621

762.022/7–2652: Telegram

The Acting United States High Commissioner for Germany (Reber) to the Department of State [1]

TOP SECRET BONN, July 26, 1952—4 p.m.

358. When I saw Chancellor this morning Hallstein, who had just returned from Paris, was also present and reported on his talk with Schuman.

The fact that these Saar negotiations had begun within the general framework of the Schuman Plan and the new Eur community gave the Chancellor grounds to hope that a definitive settlement might be achieved, which wld provide for the Europeanization of Saar. He was encouraged by interest taken by Pinay and Pleven [2] in Europeanization of Saar. Both had been present at a luncheon when Saar was discussed and Adenauer believed their support wld insure acceptance by Fr Assembly of plan which wld be prepared by Schuman and Hallstein in series of mtgs which are to be resumed when Hallstein returns to Paris on Aug 1. Chancellor said both he and Schuman had given an undertaking to the other four members of the coal and steel community to work out prior to the next Council of Europe mtg a firmer basis for Fr-Ger understanding which wld require Saar settlement and without which the High Authority wld have little meaning and no strength.

In Chancellor's opinion three preliminary questions must first be settled:

1. Postponement of Saar elections. This was necessary to give time to work out the settlement in an atmosphere freed from electoral pressures.

2. Admission of CDU, SPD and Saar Democratic parties. When I asked whether this issue wld continue to have same importance if elections were postponed, say, until next year. Adenauer replied it was essential to give proof in Ger that Europeanization was not merely maintenance of *status quo* under another name and that if this issue were settled it wld go further than any other to silence the criticism in Ger. Also, if it cld be settled, the complaint before the Council of Eur cld be dropped and this problem removed from its agenda. Also he felt that if as part of the Eur solution the new parties were to be admitted in Saar, they wld be in large measure committed to its support. He believed that majority of population favored Europeanization but if not allowed free expression of opinion they wld be driven into more extreme Ger nationalism. He was

[1] Repeated to Paris, London, and Strasbourg.

[2] Antoine Pinay, French Prime Minister, and René Pleven, French Minister of National Defense.

also prepared to give commitment that Ger wld not attempt to influence elections and thought Fr Govt shld do same.

3. Abolition of econ pressure. This wld mean that expropriation of shares in Saar industrial companies shld be brought to end.

Hallstein then explained the basis of the settlement which he had discussed with Schuman yesterday.

1. The new Eur territory shld comprise Saarbrucken, much of the present Saar territory and an area now included in Lorraine, exact limits to be defined later. Chancellor suggested that Forbach salient shld be included. Hallstein commented on the art in *Le Monde* yesterday which had envisaged cession of Fr territory to give greater Eur character to new district.

2. The Eur territory shld be self-administered under the supervision of the six Schuman Plan member states and shld be the seat of the Eur coal and steel organizations.

3. Revision of Franco-Saar conventions. Chancellor said Schuman had promised at ministers mtg that these treaties wld be either radically revised to take care of new situation or terminated.

4. The one-sided econ link of Saar with Fr was in Ger view incompatible with Eur status. Hallstein said Fr were considering arrangement, paralleling special customs zones existing along the Fr-Swiss frontier in the Jura and Savoy, to which both sides wld have equal access. Germans also consider lease of Saar mines requires readjustment.

5. Franco-Ger commission shld be created to work out details once principles of settlement have been agreed.

The agreement shld take the form of treaty between France and Ger but because Saar question is one of problems of peace settlement it would require consent of US, UK and Benelux as well as of Italy.

Chancellor expressed gratitude for interest taken by US in settlement of Saar issue and promised to keep us fully informed of developments. He said if I had not asked to see him this morning he had planned to send Blankenhorn to give us a full report but was glad of the opportunity to transmit a personal message to assure you he wld do his utmost to see that these negotiations were rapidly and successfully concluded. He asked particularly that info on these negotiations be kept very secret as premature press discussions might be fatal.

REBER

No. 622

762.022/7-2652: Telegram

The Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, July 29, 1952—7:17 p.m.

543. Bonn's 358 to Dept, rptd Paris 91, London 70, Strasbourg 4, and Paris' 592 rptd London 106, Bonn 83, Strasbourg 6. [2] Dept is naturally gratified at news of Fr-Ger decision to seek solution of Saar problem based on Europeanization of area. While sufficient details still lacking on which to estimate chances of success, we agree Paris' view that negots at least getting off to better start than last Mar. Also glad note that Fr realize this may be "last and best" chance to achieve settlement of issue, and trust Gers approaching negots in same frame of mind.

Request that our present thinking re Saar, as outlined below, be conveyed to Ger and Fr FonOffs in good time before Paris negots begin Aug 1, subj of course to any modifications which may be required as result of Dunn's expected mtg with Schuman meanwhile:

Dept extremely anxious to have negots result in mutually acceptable solution and ready to do anything it can to assist in attaining same. In particular, suggest that we and Brit shld be consulted on urgent and confidential basis if negots threaten to break down and in any case before letting them do so. For info of HICOG and Paris Emb, it shld be noted, as stated above, that current Ger thinking re basis of agreement (as given Bonn's 358) is so sparse in detail with info re any corresponding Fr views as yet completely unavailable here, that prospects for successful outcome are still quite uncertain. Dept will discuss with Brit what to do re confidential US-Brit draft solution [3] on which we have been working in recent weeks, but believes it can best be kept on ice for time being, especially as so little is known re acceptability of its details to either Gers or Fr. Neither Gers nor Fr have as yet been advised of this project.

Pending outcome of Hallstein-Schuman negots re internationalization of Saar, Dept feels it most desirable that Fr, Saar and Ger auths avoid any new action or development (including public state-

---

[1] Drafted by Morris and cleared with Bonbright, Lewis, Perkins, and McBride. Also sent to Bonn and repeated to London and Strasbourg.

[2] Telegram 358, *supra*. Telegram 592 reported that the negotiations on the Saar were off to a better start than the ones in March, reviewed the prospects for settlement, outlined the schedule for the talks, and reported that Ambassador Dunn expected to see Schuman on July 28 or 29 to give him appropriate encouragement. (762.022/7-2652)

[3] Regarding the draft U.S.-U.K. position on the Saar, see footnote 2, Document 617.

ments) re Saar which might adversely affect prospects of these negots. We are glad to note that both Gers and Fr evidently agree that Saar elections wld be case in point, though not clear whether Fr planning have elections deferred and announcement made now re same, or just what. Question of new parties is clearly much more controversial, and as emphasized by recent Bonn tels, contains far more polit dynamite in terms of FedRep reactions. We feel strongly that Fr and Saar auths shld at least agree to defer definite decision on parties, *inter alia* because as indicated in Deptel 352, rptd Bonn 297, London 423, Strasbourg 5, [4] Saar-Fr position on issue wld be difficult to defend. In order that there shld be no misunderstanding re this, suggest you point out to Fr that while their policy of separation (of Saar from Ger) and our commitment re same is one thing, question of forbidding Saar inhabitants right to discuss their own future is certainly another, and one which we feel can hardly be defended or in long run maintained. Fact that present Saar govt has taken on itself right to authorize or ban all new, i.e. rival, polit parties does not help as far as "demo" character of Saar regime is concerned. Most important consideration remains that applications of political parties in Saar not be rejected. We do not consider however arrangement on this subj preliminary to negots as Germans suggest but rather as integral part Franco-German Saar settlement.

Dept wld naturally like to see FedRep remove complaint from Council of Eur, but as this is so obviously based on controversy re parties, difficult see how this can be accomplished until latter is resolved. Suggest nonetheless that HICOG sound out Gers re possibility of their announcing that complaint being withdrawn pending outcome of negots re Saar. In any case, as we understand it, Hallstein–Schuman negots shld be over prior next Council of Eur mtg, or at least their eventual outcome shld be much clearer by that time.

Dept not sure just what Adenauer meant by reference to third prelim question which must be solved, i.e. alleged expropriation of shares, and Dept wld appreciate further explanation from Bonn.

ACHESON

[4] Not printed. (762.022/7–1652)

No. 623

762.022/8–252: Telegram

The Ambassador in France (Dunn) to the Department of State [1]

SECRET PARIS, August 2, 1952—2 p.m.

742. First day of Saar conversations, which will be resumed August 7, was entirely exploratory and did not involve actual negotiations. Hallstein left Paris last night for Switz to consult with Adenauer. Positions outlined by the two sides were understood to be initial negotiating positions. Most important differences were the fol:

1. Hallstein started out by raising question of admission new parties and postponement of Saar elections. Schuman said he wld prefer to discuss gen outlines of settlement first and leave question of elections for later stage of conversations.
2. Altho principle of Eur superstructure for an autonomous Saar was apparently accepted by both parties, Hallstein said it shld be understood that Saar wld not be "full independent" in sense of having members accorded to sit in internatl organizations as separate state. Schuman made no reply.
3. Schuman stressed French econ interest in Saar, not only re mines and railroads but also importance of maintenance Franco-Saar monetary and customs union. Hallstein said Saar Govt shld have control of mines and railroads, [but?] access to Saar shld be on "Eur" basis, without discrimination.
4. Hallstein spoke of importance of "gesture" by France through cession small slice French territory to a Europeanized Saar. Schuman pointed to great difficulties in view of need not only for parliamentary approval but also for plebiscite as required by constitution. Hallstein also brought up question of cession slice of Saar territory to Ger, but this not further discussed.
5. Hallstein voiced preference for placing Saar under Schuman Plan high authority. Schuman voiced preference for Council of Eur as authority responsible for Saar fon rels.

Above based on info given by De Beaumarchais to Brit Emb last night and on what Latournelle told me today. Comment of latter was that Ger position was initial one which offered room for considerable retreat and that it still too early to judge prospects for favorable outcome. He was unable to tell us whether there was any significance in fact that Schuman did not, apparently, turn down flatly the suggestion of cession French territory to Saar. [2]

DUNN

---

[1] Repeated to London, Bonn, and Strasbourg.

[2] On Aug. 5 Donnelly reported that he had discussed the first session with Hallstein on that day and the previous one. Hallstein's account was similar to that contained in this telegram. (762.022/8–552)

No. 624

762.022/8-1452: Telegram

The Chargé in France (Achilles) to the Department of State [1]

SECRET PARIS, August 14, 1952—9 p.m.

1000. Second mtg on Saar Aug 13 between Schuman and Hallstein brought some progress toward agrmnt on polit aspects of Eur solution but showed that considerable divergence still exists on econ aspects. As described to us by La Tournelle and De Beaumarchais, atmosphere of mtg was good. Hallstein made optimistic comment to press. Fr are particularly heartened by comment which Hallstein made at mtg that, "speaking only in personal capacity," he foresaw no difficulty about agrmnt on polit aspects as outlined by Schuman.

Mtg was conducted on basis of memo submitted by Schuman as requested by Adenauer. [2] Schuman pointed out that memo so far represents only his personal views. (Translation of full text in separate tel. [3] We understand memo is to be submitted to Cabinet for approval when it next meets probably Aug 19.) Its most novel polit provision is that after signature, but prior to its ratification by signatory nations, agrmnt on European status of Saar wld be submitted for approval directly to Saar population. Hallstein did not object to this, and there was no discussion at all of question of elections and new political parties.

Fr will undoubtedly consider German approval of referendum, in which agrmnt wld be accepted or rejected by Saar population, touchstone of German sincerity in these negotiations. This formula bypasses the question of new polit parties which wld have inevitably arisen under formula of "approval by freely elected *Landtag.*" Fr expect that after Europeanization is accepted by Saar, Germans cld hardly ask for approval of parties dedicated to overturn of European status, and Schuman memo in fact places specific responsibility upon European Commissioner to bring before Eur Council of Mins any attempt to "impair" or "threaten" European status of Saar in Fr view, which was explained to us by De Beaumarchais, Eur Commissioner wld also be bound to veto any action by Saar

---

[1] Repeated to London, Bonn, and Strasbourg.

[2] Following the first meeting between Schuman and Hallstein (see telegram 742, *supra*) Adenauer had written to Schuman requesting, *inter alia*, that the French position be put in writing. Schuman had replied briefly on Aug. 10. No copies of these letters have been found in Department of State files, but they are summarized in telegrams 524 from Bonn, Aug. 5, and 893 from Paris, Aug. 11. (762.022/8-552 and 8-1152)

[3] Telegram 1002 from Paris, Aug. 14. (762.022/8-1452)

Govt to allow parties seeking change in Eur status. If Germans accept idea of referendum and functions of Commissioner as outlined in Schuman's memo, problem of new parties wld thus be solved, except for possible symbolic concession to Germans by admission of new parties that are not asking for change in status.

Schuman memo does not close door on question of modification in Saar frontiers ("speaks of Saar territory as it will be delimited"), but this aspect likewise not discussed at yesterday's mtg.

As regards econ aspects of settlement, Schuman envisaged maintenance Econ Union between France and Saar and only "adaptation" for Franco-Saar conventions to European status, with Eur "organisms" charged with controlling the functioning of Franco-Saar Econ Union. (As La Tournelle expressed it to me, Fr consider econ privileges in Saar to be in nature of reparations, and he envisaged full internationalization of Saar econ only at time when Eur currency union exists and when Schuman Plan has been fol by further econ integration.) Fr agreed to work further on tech questions involved in giving some measure of access to Saar to other Eur countries, and Hallstein said Gers will submit memo containing their views on subj before next mtg. [4]

We have no explanation yet of sentence "property rights to coal mines will be conferred to Saar" in para 3 of Schuman memo, but it shld in any event be read in the light of Beaumarchais' statement that there can be no question of Fr giving up their share in management of mines and railroads. [5]

Next mtg scheduled for Aug 29.

ACHILLES

---

[4] A translation of the German memorandum, dated Aug. 18, was transmitted in telegram 773 from Bonn, Aug. 21. (762.022/7-2152)

[5] On Aug. 15 Donnelly reported that he had discussed the second meeting with Hallstein that day. Hallstein indicated that real progress had been made on the political aspects, but not on the economic aspects, stated that the discussion had taken place in a friendly atmosphere, and concluded that U.S. and U.K. intervention, in his view, would undoubtedly be necessary and probably at an early stage. (762.022/8-1552)

No. 625

762.022/8-2852: Telegram

The United States High Commissioner for Germany (Donnelly) to the Department of State [1]

SECRET PRIORITY BONN, August 28, 1952—10 p.m.

892. Hallstein called this morning to discuss tomorrow's mtg with Schuman on Saar. He said that he was not at all optimistic about outcome of conversation. He feared that time for our intervention will have arrived tomorrow. Did we have any plans as to what action we might take and wld we be prepared to implement them in immed future?

I replied that our feeling was that time has not yet come for intervention and that I very much hoped that he and Schuman wld not permit negots to collapse. Hallstein assured me that on Ger side there was strong desire to prevent public breakdown.

In event of failure of talks tomorrow Saar issue will undoubtedly, in Hallstein's opinion, come up at Sept mtg of Council of Eur. Hallstein said that Chancellor and he had no control over raising this issue as it will be discussed by FedRep parliamentary dels among whom are SPD members. He questioned whether even coalition members who are dels could be restrained from speaking during session.

Hallstein reiterated what we have been reporting that crucial sticking point is econ issue. He said that in last analysis he was prepared to go considerable way toward meeting Fr demands for privileged econ posit but that Schuman appeared to be unyielding on econ *status quo* in Saar. Gers have been attempting to discover full implications of Fr econ control in Saar but have not been able to get whole picture due, as Blankenhorn also told us, to lack of adequate data. What they have uncovered however, according to Hallstein, surprises them by extent of Fr absorption of Saar economy.

Hallstein also alluded to forthcoming elections. He felt that if Schuman could make some gesture on at least postponement that such a move wld alleviate tension. However he has no indication that Fr are prepared to make such gesture.

Surprise was expressed by Hallstein at Fr failure to face up to desirability of Europeanizing Saar. He observed that Fr did not appear to have anything to gain by delay. This gave me opportunity to re-emphasize to him our concern over possible Ger stalling. I

[1] Repeated to London and Paris.

made this point emphatically and Hallstein quickly sought to reassure me that FedRep was most anxious to terminate Saar imbroglio as its continuance offered opportunities for opposition in FedRep to attack govt and was a generally worrisome factor for coalition in pre-election period. It is my impression that this is a valid case; problem is that polit realities in Ger impose very tight limits within which Adenauer and Hallstein can maneuver in negotiating with Fr.

I referred to article in *Chronique Saaroise* (see our press tel today [2]) and asked for his comment. He said undoubtedly it was inspired by Grandval and then went on to explain that he took no notice of Grandval's disruptive maneuvering. He added Grandval's views were in conflict with those of Schuman but that he has support among certain deputies and member FonOff.

In concluding conversation I stressed great importance, in event of stalemate tomorrow, of not letting impasse appear to be a breakdown. I said that we considered of upmost importance that impression should be given that negots wld continue even though no great progress was made on 29th.

DONNELLY

[2] Telegram 889 from Bonn. (762.022/8-2852)

No. 626

762.022/8-2952: Telegram

The Chargé in France (Achilles) to the Department of State [1]

SECRET PARIS, August 29, 1952—8 p.m.

1308. August 29 meeting on Saar again brought exchange of views rather than actual negots. Conversations took place in cordial atmosphere and De Beaumarchais tells us Schuman was particularly impressed by Hallstein's repeated affirmation that Germans genuinely interested in reaching solution. These affirmations were result of pointed questions by Schuman whether Von Brentano's recent statement, that Germans don't expect agreement now and can afford to wait, represented Chancellor's opinion. Schuman at inception of mtg also called Hallstein's attention to activities of Deutscher Saarbund and Hallstein promised to do what he can to stop its propaganda.

According to De Beaumarchais mtg was "exploratory" and confined to general outlines of settlement with Gers scheduled to

[1] Repeated to London, Bonn, and Strasbourg.

submit at next mtg their detailed paper on econ arrangements. Schuman commented in general terms on Ger memo of August 18 (Bonn 773 to Dept August 21 [2]) taking position that "non-discrimination" approach is impracticable because equal access of European nations to Saar would [involve?] insoluble customs probs. Hallstein is supposed to have agreed that making Eur econ "free zone" of Saar wld be impossible because it wld in effect create hole in present Eur customs boundaries. Schuman also expressed view that creation of freely convertible Saar currency impracticable for similar reasons. French take position that it is up to Gers to come up with viable econ solutions. They are supposed to do this next meeting, and fact that econ experts of both sides are to attend it may indicate that the mtg will see negots finally get down to brass tacks on econ arrangements.

(We questioned Beaumarchais whether this procedure implies that Fr are willing to envisage discontinuance of Franco-Saar econ union. He replied French experts are convinced Gers will be unable to come up with economically viable pattern for economic Europeanization. Schuman in general appears to have taken line that present Franco-Saar arrangements shld be left undisturbed until such larger econ union can be created. He would presumably be willing to modify his views, however, if Gers came up with practical alternative that does not completely wipe out French econ privileges in Saar.)

Both sides seemed to agree there is no more need to discuss outlines of polit arrangements since there is general agreement on them. Hallstein raised however question of postponement Saar elections. (There was no discussion of new parties, nor of postponement of Ger complaint to Council of Europe.) Schuman did not object in principle to postponement but cited constitutional arguments why postponement difficult. In particular he explained legal experts still undecided whether Saar parliament must be renewed October, when constituent assembly was created in 1947 or in December when constituent assembly became parliament. This line of argumentation seemed to imply that postponement is difficult but not impossible. Question was left open pending "new legal advice" which Schuman promised to secure. Schuman and Adenauer are to discuss Saar question further when they meet at Luxembourg Sept 8 and 9 at which time date of next mtg with Hallstein will be fixed. It is obvious that negots cannot possibly be completed by Sept 15. French in any event show no desire whatever to break them off and they consider that Gers will find it awkward to disturb con-

[2] Telegram 773 transmitted the German memorandum on the economic aspects of the Saar question. (762.022/7-2152)

tinuing negots with complaints in Council of Eur. De Beaumarchais indicated to us Schuman "not in the least disturbed" by prospect of Saar debate in Council because French and Saar could be expected to put up "very strong case." In any event, he appeared to envisage continuance of negots for considerable time. [3]

ACHILLES

[3] On Sept. 2 Donnelly reported that Hallstein had been encouraged by the Aug. 29 meeting, but confirmed that no real negotiations had taken place. Hallstein also indicated that a special meeting between Adenauer and Schuman had been arranged to take place during the meeting of the Foreign Ministers of the Schuman Plan countries, scheduled for Luxembourg, Sept. 8 and 9. (Telegram 936 from Bonn, 762.022/9–252)

No. 627

762.022/9–1152: Telegram

The Consul at Strasbourg (Andrews) to the Department of State [1]

SECRET PRIORITY STRASBOURG, September 11, 1952—5 p.m.

48. From Tomlinson. Subj is Schuman–Adenauer talks on Saar. Schuman and Adenauer had hour-long talk on Saar yesterday morning in Lux with no one else present. Afterwards, Schuman reported to Counc of Mins that talk had been most satis and that he and Adenauer were confident that they would reach solution of Saar problem in near future. They were firmly agreed that the solution should be a European solution and they were sure on this basis all remaining problems could be worked out. Schuman paid homage to Adenauer's courage and sincerity in terms so warm that observers felt he may have caused some difficulties for Adenauer.

Adenauer confirmed Schuman's report. DeGasperi made short speech expressing his pleasure at success of Fr-Ger mtg and stressing importance of solution Saar problem to entire movement for Eur union. The other Mins seconded DeGasperi's remarks.

Experts on both Fr and Ger side have been annoyed because they have not been able to find out what happened at Schuman–Adenauer meeting. Schuman remarked afterwards in informal conversation that it was difficult to explain how complete had been understanding between Adenauer and him and added that it was unfortunate that someone could not have an "indiscretion" and listened in.

Apparently because they have not yet had time to talk in detail with their Mins, Fr and Ger experts differ slightly on what was

[1] Repeated to London, Paris, Bonn, Rome, Brussels, The Hague, and Luxembourg.

agreed in Schuman-Adenauer talks. Focal point of talks was what to do about new parties and elections. In Fr experts understanding Adenauer and Schuman agreed new parties and elections. Fr experts understand Adenauer and Schuman agreed to make a joint Ger-Fr request to Saar govt to postpone elections while Franco-Ger talks continued; Saar govt itself would be left free to set the exact date, with understanding that if no solution had been reached by around first of year elections would proceed around Feb. This agreement, as Fr experts understand it, was accompanied by a promise from Chancellor not to press issue of parties, and a promise from Schuman to request Saar govt to avoid any action which might cause trouble.

One of Adenauer's principal advisers on Saar, who told us he had not had a chance to discuss the matter at any length with Chancellor, gave slightly different version of agreement on elections and parties. His understanding apparently was that Chancellor would have someone talk privately to pro-Ger parties in Saar in order to obtain their agreement to base their action and program on Europeanization instead of on return to Ger; it would of course be made clear to them that Europeanization did not mean simply a new baptism for present status of Saar. If parties agreed to change their line to this effect, polit sting would be taken out of election and party questions and elections could then be postponed.

Discrepancy between above stories, in my opinion, arises less from any lack of understanding between Schuman and Adenauer than on fact that their advisers have not been informed in detail of what went on. Ger version in particular may reflect to some extent personal views of our informant, who may not have wished to admit that he was not completely up to date. Fr advisors are leaving Strasbourg this eve for Paris. I suggest Emb contact them to verify and complete this report. We may return to Lux this weekend and reach Paris only Monday.

In any case, a comite of experts will continue to meet on econ aspects of Eur solution to Saar problem. Experts on both sides have told us that they do not think these econ problems are in any way insoluble. Most difficult one, in both Fr and Ger opinion, is monetary problem. Some officials on both sides have commented that solution of Saar problem would be greatly facilitated if immed steps could be taken for creation of fed monetary union for six countries. Gers have apparently initiated studies within their own govt on way in which such a union could work, and they may well present these results to Schuman Plan Assembly when it begins to consider powers and responsibilities of Eur polit community. It thus seems possible that need for rapid solution of Saar problem may give even

greater impetus to Dutch move to assure that polit comm is given broad powers in econ field. [3]

ANDREWS

[3] Further reports on the Adenauer–Schuman talks on the Saar were transmitted in telegrams 50 from Strasbourg, Sept. 11, and 1123 and 1177 from Bonn, Sept. 11 and 15. (762.022/9–1152 and 9–1552) They provided more details on the talks, but did not present an appreciation different from that reported in this telegram.

No. 628

762.022/9–1852: Telegram

The Ambassador in France (Dunn) to the Department of State [1]

SECRET PARIS, September 18, 1952—2 p.m.

1704. Last evening I had a good 45-min talk with Schuman. He was in a relaxed forthcoming and confident mood which permitted me to cover a series of questions as indicated below and in subsequent tels. [2]

Saar.

Schuman is heartened by Adenauer's sincere determination to reach an early and just solution. He said he had proposed to Chancellor that elections be postponed for 2 months during which time *status quo* continues and there would be no new developments (i.e. new parties wld not be admitted). He said Adenauer wanted to consult in Bonn re this matter and that he, Schuman, expects to hear from the Chancellor within a week or so. Ger delegation in Council of Eur re Saar did not worry him. He said that question still must obtain two-thirds favorable vote in permanent comite before being placed on the agenda. Schuman does not believe such a vote will be forthcoming.

He stressed his views that if any settlement is to be achieved the broad framework thereof must be agreed by end of year lest Saar become an issue in Ger 1953 electoral campaign.

In view of slight difference in what Beaumarchais had told us re the economic prob and that Adenauer had told Donnelly, I queried Schuman on this point. He said that he and the Chancellor had not discussed the details of the econ settlement. He did not seem to be particularly concerned with them in that he said that they are not urgent, for once the gen framework of a settlement is determined

[1] Repeated to London and Bonn.

[2] In telegrams 1705, 1706, and 1711, all dated Sept. 18, Dunn reported on his conversation with Schuman on ratification of the EDC Treaty, the European Community, and Tunisia. (662A.00/9–1852, 740.00/9–1852, and 772.00/9–1852)

the econ probs shld not be too difficult. He confirmed that on both the French and German sides econ experts are presently preparing studies in order to submit recommendations to the Chancellor and to himself. These groups he said are working separately and he believes that the French team will submit to him their recommendations within a few weeks.

Re his own position there he said that he felt greatly strengthened by the fact that the FonAffs Comm of Council of Republic had last week heard his report on his discussions with Adenauer and that they had unanimously expressed their approval and support of his actions. This he said was particularly gratifying in that he considered Council of Republic to be much more conservative and keenly interested in Saar question than the Lower House.

DUNN

No. 629

762.022/10-1452: Telegram

The Acting Secretary of State to the Embassy in France [1]

SECRET PRIORITY WASHINGTON, October 14, 1952—7:04 p.m.

2145. For Donnelly and Dunn. We are concerned by the course of recent Saar negots but are confident that Fr and Gers wld not permit breakdown at this time. [2] There follows a full expression of our views on this question which you can use with Schuman and Adenauer respectively, on any appropriate occasion to urge them to reach agrmt. We leave to your discretion whether present time is appropriate in view Schuman's letter (Bonn 1673 Oct 13 [3]). In view of the nature of our comments informal character of approach may be particularly important.

Any approach of this type will be in line with decision taken at London Ambassadors mtg [4] to talk with Schuman and Adenauer

---

[1] Drafted by Herz, McBride, Morris, and Kidd and cleared by Matthews, Williamson, Bonbright, and Perkins. Also sent to Bonn for Donnelly, and repeated to London and Strasbourg.

[2] In an exchange of letters in the first 2 weeks of October Schuman and Adenauer had clarified their positions on the Saar, but had not narrowed the issues which separated them. Texts of the letters from Schuman to Adenauer, Oct. 6 and 11, and from Adenauer to Schuman, Oct. 3, are in telegrams 2108 from Paris, 1673 and 1496 from Bonn, dated Oct. 13, 6, and 3, respectively. (762.022/10-1352, 10-652, and 10-352)

[3] See footnote 2 above.

[4] Documentation on the Chiefs of Mission meeting at London, Sept. 24-26, is scheduled for publication in volume VI.

on personal basis, urging them to continue their excellent work for closer Eur union and not to permit difficulties to become magnified in public discussions which cld impede or even prevent attainment of their broad policy objectives for integration with which we are in such full agrmt.

Our disposition to endorse almost any mutually satis arrangement reached by Fr and Gers on Saar issue, our concern lest it interfere with ratification of EDC treaty and contractuals, and our request that negots shld in any event not be permitted to break down without giving us opportunity to offer assistance, have already been communicated to Fr and Ger Govts. We do not in any way wish to intervene in negots at this time and fol views are offered only in line with our interest in seeing broader Eur policies of both Govts succeed. Consequently, while we strongly hope that current negots result in agrmt, it is also our hope that if agrmt shld prove impossible at this time, negots will continue in any event until every resource of ingenuity has been exhausted and until present particularly critical pre-ratification period has been traversed, so that at least promise of future agrmt may not be destroyed.

1. Re question whether Saar solution wld be permanent or temp, we think idea proposed at end of Paris' 2091 to Dept (rptd 441 London 294 Bonn) [5] cld furnish basis for agrmt along these lines: (a) In order not to jeopardize our position re Oder-Neisse line, it wld be understood that agrmt wld be subj to confirmation in Ger peace treaty, with interested parties making formal commitment to support agreed solution at that time; and (b) provision wld be made to review details of agrmt periodically to see whether it can be improved in light of conditions later prevailing. There shld be no doubt that principle of Europeanization wld be definitive, but within that broad framework there wld be room for later adaptations as development of Eur community and of Saar may require.

We fail to see how definitiveness of Europeanization cld be publicly limited or questioned in agrmt reached by Fr and Ger Govts (except for peace treaty proviso) since both are committed to policy of progressively closer integration, and provision to call into question Eur solution at later time wld inevitably imply that two Govts have doubts that policies they publicly advocate will in the long run succeed.

2. Re admission of new polit parties, while we understand that Fr find it difficult to throw Saar open to free polit competition as

[5] Telegram 2091 suggested that the European solution would be permanent in principle subject to periodic review of the details or in light of developments in the progress of European unity. (762.022/10–652)

long as no agrmt reached on Europeanization, we fail to see how *status quo* in this respect can be long maintained. Our views on this subj have been detailed in previous tels dealing with Saar problem. We believe electoral freedom will have to be integral part of agrmt reached between Fr and Gers and feel that much wld be gained if Fr wld signify their willingness to see new parties authorized in event there is agrmt on other parts of Saar settlement and notably on definitiveness of Europeanization.

3. Re econ arrangements, we are disturbed by fact that actual negots have not yet started and hope experts might be able to meet soon to explore tech aspects of possible changes in Franco-Saar conventions (ourtel 1270 to London rptd Paris 1040 Bonn 858 Strasbourg 16 [6]). It was our impression from Paris 1000 to Dept (rptd London 193 Bonn 148 Strasbourg unn) [7] that Fr were in principle prepared to see conventions modified to accord with new Eur status, and from Bonn's 936 to Dept (rptd London 171 Paris 246 Strasbourg unn) [8] that Gers were willing to have experts study "whether Europeanization can be brought about without prejudicing France's gen econ requirements". We believe this best possible basis for agrmt and wld hope that exploration of subj on working level cld be undertaken soon.

4. Aside from substantive differences re Saar settlement, there are obstacles to conduct of negots themselves, and among these we find most important the questions of: (a) election date, (b) manner in which decision on new parties is postponed, and (c) public statements which tend to exacerbate feelings on both sides and which result in increased intransigence.

(a). Re election date which we now understand may be announced Oct 20 (Strasbourg's 150 to Dept rptd Paris 120 Bonn 118 London 115 [9]), we share concern of Brit FonOff (London's 2072 to Dept rptd Paris 563, Bonn 340, Strasbourg 13 [10]) and hope Emb Paris will continue its efforts to convince Fr informally of great importance that election campaign shld not take place while negots in progress. If need be, suggest Paris Emb recall agrmt at London

---

[6] Telegram 1270 reported that the Department of State believed it was still premature for the United States and the United Kingdom to intervene on the Saar and stressed that the economic arrangements seemed to be the main problem. (762.022/8-2252)

[7] Document 624.

[8] See footnote 3, Document 626.

[9] Telegram 150 reported that unless Schuman and Adenauer announced agreement on Europeanization of the Saar by Oct. 20, the *Landtag* elections would probably take place on Nov. 30. (762.022/10-952)

[10] Not printed; it reported that Kirkpatrick had advised the Foreign Office of his belief that failure to postpone the *Landtag* elections was the greatest and most immediate danger to a Saar settlement. (762.022/10-952)

mtg three western FonMins [11] to avoid any new steps re Saar which might jeopardize ratification basic Ger agrmts. On other hand, it wld be most helpful if Adenauer were brought to join in statement with Schuman as requested by latter, but perhaps endorsing principle of Europeanization while noting that negots re vital details still going on.

(b). Re deferment of decision on new parties, we hope any further actions that may be necessary under Saar constitution may be taken in manner to indicate clearly that Saar govt withholding final decision in order avoid impairing Paris negots.

(c). Re public statements, we trust Paris will continue as appropriate to express our keen disappointment to Fr at Grandval's rptd and ill-considered declaration to press. Under this same heading wld come Bundestag Saar debate scheduled for Oct 23 (Bonn's 1635 to Dept rptd Paris 439 Strasbourg unn Oct 10 [12]) from which little good can come for negots, and we trust HICOG can still discourage any such debate prior to French EDC ratification.

Because we consider informal nature in which above observations are made to Fr and Gers to be of great importance, and because we do not believe time has come for outright US–UK intervention in negots, we are not asking Brit to associate themselves with our approach. However, we are showing this tel to Brit Emb here and wld expect you if approach made to inform your Brit colleagues of Fr and Ger reactions so that they might be guided by them in any similar approaches they may be authorized to make. We leave timing and coordination of approach to Schuman and Adenauer to you. Feel in any event if approach made however that there shld not be too much interval between approaches in Paris and Bonn because you shld be able to say to each that we are at approx same time also talking to other negotiating partner.

If overall approach in next few days proves undesirable, you are authorized to discuss postponement of election date and Bundestag Saar debate separately with Schuman and Adenauer as per para (a) above if it seems necessary. This might be done on joint US–UK basis if Brit Emb Paris has not yet carried out instrs reported London's 2072. [13]

BRUCE

---

[11] Regarding the Foreign Ministers meeting at London in June, see Secto 2, Document 619.

[12] Not printed. (762.022/10–1052)

[13] The instructions in telegram 2072 told the British Ambassador to make immediate efforts to head off the announcement of the Saar elections. (762.022/10–952)

No. 630

762.022/10-1552: Telegram

The United States High Commissioner for Germany (Donnelly) to the Department of State [1]

SECRET PRIORITY BONN, October 15, 1952—10 p.m.

1716. Since Adenauer is leaving on Oct 17 for Berlin to be gone for the balance of the week I decided to see him today about the Saar problem (ref Deptel Bonn 1750 Paris 2145 rptd London 2645 Strasbourg 35 Oct 14 [2]). I explained at the outset and repeated at the conclusion of the conversation that I had been instructed to talk to him personally and informally about the Saar ques and that the info I was giving him shld in no way be interpreted as US intervention.

Adenauer was impressed with the points raised in the Dept's tel and upon the conclusion of my remarks said he wished to make a few comments. He referred to his speech in Dortmund last Sunday when he declared that negots on the Saar had not been interrupted and wld continue. He said he had been in touch with the Saar polit leaders who also expressed the desire that conversations be continued and indicated that in this event the Saar Govt was prepared to introduce a motion in the *Landtag* postponing elections. The Chancellor said a definitive Saar agreement was impossible because it wld prejudice Ger's rights with regard to the territory beyond the Oder-Neisse line. In reply to my request for clarification of this point the Chancellor said that the Oder-Neisse line is covered by the Potsdam treaty and that when the Sovs announced that the Oder-Neisse was the eastern boundary the three western powers had protested and refused to recognize any frontier settlement before the peace treaty. Thus, in his opinion, while the Saar is in no way subordinated or covered by the Potsdam treaty nevertheless any agrmnt among the three powers to change the frontiers of Ger or even to finalize a Eur settlement of the Saar pending a peace treaty for Ger wld be seized upon by the Sovs as a violation of the Potsdam agrmnt and justification for their action in fixing the Oder-Neisse as the eastern boundary for Ger.

Adenauer said that in reply to Schuman's ltr [3] he wld ask latter to make counter-proposal to suggestion for a five year provisional agrmnt. We then discussed the pros and cons of ques and I suggested that an agrmnt might be reached in principle on Europeaniza-

[1] Repeated to Paris, London, and Strasbourg.

[2] *Supra.*

[3] Presumably a reference to the letter of Oct. 11, cited in footnote 2, *supra.*

tion of the Saar provided it did not become finalized until signature of the peace treaty.

Adenauer indicated that as long as the settlement was not definitive he wld be prepared to accept a period to last even to the peace treaty.

He said that agrmnt had been reached on polit aspects in the region. I expressed the hope that discussion of the problem in the Bundestag cld be avoided but that if it cld not the debate wld be moderate. Adenauer made no comment on this suggestion.

According to Adenauer Grandval is the most important obstacle to the settlement of the Saar problem. He explained in detail Grandval's polit influence in France and pointed out that while in Switz he recd a visit from a Swiss newspaper owner who had just returned from France where he met Bilotte, a member of the dissident Gaullist group, who told him the 30 dissident Gaullists were firmly opposed to any settlement of the Saar problem on other than existing terms. Adenauer said that Grandval, who was also a member of this group, was probably responsible for this development and that through them he cld exercise enough influence to prevent settlement.

As regards the econ arrangements Adenauer repeated the statement he made to us some time ago that he foresaw no difficulties in this respect because Schuman had told him that France's econ interest in the Saar was to obtain coal for her requirements and to sell French goods in the Saar both transactions to be in French francs. Adenauer said this cld be arranged without difficulty. I then raised question about econ conventions and Adenauer said that Schuman wished to modify the existing conventions but his point was that they shld be replaced by new agrmnts. He did not indicate when econ experts wld meet but he gave the impression that they cld at any time once an agrmnt was reached in principle on the future status of the Saar.

Adenauer said that he was sending Schuman two ltrs. He hoped to despatch them tonight so as to have them in Schuman's hands tomorrow but not later than Friday. The first will deal with the substance of the problem, the second will relate to Saar elections. In the second Adenauer will agree to a joint public statement with Schuman to effect that an agrmnt has been reached in principle on Europeanization of the Saar and that negots will continue. He promised to send us copies of the letters after they have been delivered in Paris.[4] Adenauer hopes to reach agrmnt on statement

[4] Copies of the letters, which were delivered to Schuman on Oct. 16, were transmitted to HICOG by the Federal Government on Oct. 17. These were in turn transmitted to Washington in telegrams 1742 (draft of statement) and 1753 (essential portions of interpretive letter) from Bonn, Oct. 17. (762.022/10–1752)

prior to Oct 20 so that the Saar *Landtag* will agree on that date to postpone elections. Reason for the two ltrs was that it might be desired later to publish the text of the ltr relating to election and statement which wld be very difficult if the election issue were included in the same letter which dealt with the other substantive issues. [5]

DONNELLY

[5] On Oct. 15, Ambassador Dunn reported that he had contacted Donnelly who told him that he was seeing Adenauer that afternoon. In agreement with Bonn, Dunn decided to postpone his representations until the two letters had been delivered to Schuman. (Telegram 2338 from Paris, 762.022/10-1662)

No. 631

Editorial Note

From October 15 to October 25, continuous efforts were made by the United States and the United Kingdom, acting through their Embassies in Paris and Bonn and in a personal discussion by Eden with Schuman on October 20 at Paris, to obtain Franco-German agreement on a statement that would allow the postponement of the Saar *Landtag* elections. Despite these efforts agreement was not reached and the Governments of France and the Federal Republic issued a joint communiqué on October 25 declaring their failure. The elections were held on November 30 and the pro-German parties were barred from participation. Documentation on these events is in file 762.022.

Serious discussion of the Saar between the Federal Republic and France did not begin again until the end of February 1953 at the meeting of the Foreign Ministers of the Schuman Plan countries which was held at Rome, February 24–25, when Adenauer and the new French Foreign Minister, Bidault, considered the question.

No. 632

740.5/2–1353: Telegram

The Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, February 17, 1953—7:29 p.m.

4460. Re paragraph 13 your telegram 4558,[2] we have received some indications that French Foreign Office and perhaps Bidault himself may have distorted somewhat character of Saar discussion which took place when he and Mayer met with Secretary Stassen during recent trip.[3] While Bidault did talk at some length about the Saar and about a Saar settlement as a precondition to EDC ratification, no details were mentioned and Secretary was careful not to commit himself. However we have heard informally that in French Foreign Office reports of these talks to its missions abroad Saar subject was prominently mentioned (in itself hardly justified in view of nature of exchange on subject), and one unofficial but usually well informed French source told us Secretary and Bidault had been reported in agreement on subject. Consequently we do not exclude possibility that French Government and more particularly Bidault may seek to interpret the fact that the Secretary did not specifically challenge Bidault as approval for any type of Saar agreement which he may wish to put forth as condition precedent to ratification.

We do not think that a detailed Franco-German agreement on Saar can possibly be reached in reasonably foreseeable future and if such were made a precondition to EDC ratification latter would therefore be indefinitely delayed. Reasons for this are many and obvious including *inter alia* pre-election atmosphere developing in Germany, obvious gulf between French and German positions re retention French economic position in Saar, and extreme practical difficulty of settling on European basis thorniest specific Franco-German problem prior to development of European framework itself. At same time it seems to us that broad agreement in principle on basis of "Europeanization of Saar" might be achieved so as to meet exigencies of German Government and at same time broad commitment made by Mayer at time of his investiture.

---

[1] Drafted by Knight and Morris on Feb. 16 and cleared by Bonbright and MacArthur. Repeated to London, Bonn, and Strasbourg.

[2] Telegram 4558 reported on the problems that needed resolution before EDC ratification could be accomplished. Paragraph 13 noted that it was still unclear whether the new French Government intended to make a full Franco-German agreement on the Saar a precondition to ratification. (740.5/2–1353)

[3] Dulles and Stassen traveled to Europe at the end of January and beginning of February 1953.

Please avail yourself of first opportunity to talk along above lines especially if French bring up subject and in particular should they allege they have obtained anything like free hand from Secretary. We are gratified to note British making similar move (London's 4447 repeated Paris 1144 Bonn 810 [4]), and in last few days both Dutch and Italian Embassies have expressed to us their concern re danger of French Government taking public position aimed at making Saar settlement condition for ratification.

DULLES

[4] Telegram 4447 reported that Eden intended to urge Mayer and Bidault not to let the Saar settlement become a condition for ratification of the EDC. (762.022/2-1153)

No. 633

762.022/3-353: Telegram

The Chargé in France (Achilles) to the Department of State [1]

SECRET

PARIS, March 3, 1953—8 p.m.

4898. Discussion of Saar between Bidault and Adenauer at Rome described by Latournelle as cordial and slightly helpful. [2] There was some disagreement on political statute, Adenauer wishing it to be effective "until peace treaty" and Bidault insisting that it be "subject to confirmation or modification (sous reserve) of the treaty". On economic points. Adenauer expressed belief that functioning of SCS [*CSC?*] should take care of many problems and that experts should be convened as soon as possible to deal with remainder. Bidault would not agree that experts should establish their own terms of reference or that they should meet until they had been given directives by two governments. Bidault and Adenauer expect to discuss question further at Strasbourg March 9. [3]

Latournelle said no progress had been made on EDC, but that no ground had been lost. French had insisted that protocols must be ratified by French Assembly. Adenauer and others had maintained that since no change in substance of treaty was contemplated, subject matter of protocols could be dealt with by simple exchanges of letters. It was left that each government could present them to own

[1] Repeated to Bonn and London.

[2] Bidault and Adenauer were in Rome for a meeting of the Foreign Ministers of the Schuman Plan countries, Feb. 24-25.

[3] On Mar. 11 Conant reported that Hallstein had said the Adenauer-Bidault meeting on Mar. 9 had realized no progress on the Saar but had not lost ground either. In the same report Conant indicated that in a subsequent conversation Blankenhorn had stated further Franco-German talks could not start before May. (Telegram 4188 from Bonn, 762.022/3-1153)

Parliament or not but that interim commission should work out agreed language which French would then submit to assembly for ratification along with treaty. He said both Adenauer and De Gasperi had expressed firm intention of pushing for ratification in their respective Parliaments regardless of protocols. He saw no reason why much time should be required to reach agreement on language.

ACHILLES

No. 634

762.022/3-3053: Telegram

The Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, March 30, 1953—7:45 p.m.

5039. Paris pass Bruce. Importance attributed by press to Saar discussion in recently concluded talks with Mayer calls for summary of position which President and Secretary consistently reiterated on several occasions when this subject came up. [2]

1. US expressed full and complete sympathy with importance which French Government and people place on Saar for political, economic and financial reasons.

2. At same time, however, we made it clear that we could not accept French thesis that Saar settlement was an "indispensable precondition" for ratification. We said regardless of importance of this specific matter to France it nevertheless remained detail and that we could not reconcile ourselves to having any detail however important per se stand in way of EDC ratification which not only is historical development of first magnitude but is of direct interest to us and to all NATO countries as an essential requirement to attain security in the present through German contribution. We also made it clear that we could not accept French juridical position on basis Saar settlement is required by Franco-German exchange of letters when CSC was signed and by US position taken by Secretary Acheson on January 18, 1950 and confirmed in *Aide-Mémoire* delivered by Embassy Paris on January 24, 1950. [3] Without going

---

[1] Drafted by Knight and cleared by Bonbright, Riddleberger, MacArthur, and Merchant. Repeated to Bonn, London, Rome, Brussels, The Hague, and Luxembourg.

[2] Mayer visited Washington, Mar. 26–28.

[3] Regarding the statement by Acheson and the *aide-mémoire* under reference here, see the editorial note and telegram 352, *Foreign Relations*, 1950, vol. IV, pp. 929 and 933. For text of the letters, dated Apr. 18 and 21, exchanged at the time of the signing of the Coal and Steel Community Agreement in 1951, see *Documents on the Saar*, vol. I, p. 303.

into details we rested our position on "compulsions of present" which do not permit us to subordinate security of West to legal interpretations of past positions.

3. We made it clear that we would apply same pressure on Chancellor Adenauer and on German Government to effect they should not let details stand in path EDC progress. At same time we also made it clear that we would so speak impartially and as friends of both parties.

Strictly for your information. We tend to believe that in fact it is unrealistic to think in terms of French EDC ratification without some Franco-German Saar settlement or agreement however general. As to contents of settlement or agreement we favor any formulation agreeable to French, German and Saarlanders. As to tactics we intend making no commitments so that if necessary we can intervene effectively on one side or other.

DULLES

No. 635

762.022/4-253: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

CONFIDENTIAL PRIORITY BONN, April 2, 1953—5 p.m.

4466. Reference our telegram 4410 to Department repeated Paris 1149. [2] Following our view on Saar in connection Adenauer visit German starting position that "Saar is German", and French insistence Saar is war reparation, make it necessary to find approach which will give parties substance of their legitimate claims and save face on other aspects. "Europeanization", with economic advantages to France, and accepted by Saar plebiscite, was advanced as possible solution.

From our analysis current situation this solution must on German side be subject to three qualifications. First, while for practical purposes settlement may be definitive, it must in form be provisional so it cannot be used as argument, however illogical, that FedRep has thereby impaired its position on Oder-Neisse Line. Second, concept requires a Europe to which Saar can be subordinated. Only such entity today is CSC, which is far from acceptable political body. It seems an EPC must come into existence before such acceptable political body will exist, and hence settlement

[1] Repeated to Paris and London.
[2] Document 174.

must be related to creation of such EPC. Third, terms of settlement must be consistent with Europeanized status e.g., France may not be politically dominant, and economic advantages to be guaranteed France must not exclude interests of other members.

Situation complicated by approaching German elections. Any Saar settlement will be attacked by SPD and will therefore be campaign issue, and Adenauer must be careful specific terms do not give opposition added appeal to electorate. Furthermore, he lacks enthusiastic support among parts of his own coalition and will continue to lose support as election approaches.

Following is our estimate furthest Adenauer could be asked to go at present, and this will decrease as election approaches.

(a). He could agree that, subject to plebiscite, Saar shall come under an EPC when it is formed, with self-administration (Germans dislike "autonomy") in local affairs.

(b). On economic side we understand Germans are ready to agree to continued Saar monetary union with France for whatever that may be worth. Believe they will agree balance between France and Germany in CSC shall not be upset by any new agreement regarding Saar status, Adenauer will probably propose that common market provisions of CSC apply to other factors Saar economy. This is negation basic French position (which Germans claim affects only 30–40 percent Saar GNP). But we think German interest in Saar economy is really political, not economic, and since even SPD admits special economic position of France in Saar must be given full consideration, there is considerable room for compromise here.

(c). Political freedom in Saar would have to be conceded before plebiscite, but French fear of pro-German result this action should be met by submitting only two alternatives, approval or disapproval of previously worked out European solution. If vote favorable, this could be followed by "free elections" for new Saar *Landtag*, which would be bound by results of plebiscite.

Seen from Bonn, French can get economic preference for self and subtract Saar strength from German if that is real French objective and France puts emphasis on realities rather than form. We think enough German leaders sincerely want European integration to win their support for such an agreement as earnest of their good faith and contribution to larger solution. They do not of course accept any French idea that they must pay France for the privilege of rearming to defend France as well as themselves, and if France maintains an intransigeant position, they will necessarily revert to view that "Saar is German" and to waiting game in belief time is on German side.

CONANT

No. 636

Editorial Note

During his visit to the United States, Chancellor Adenauer discussed the Saar with President Eisenhower and Secretary Dulles on three occasions. For records of these conversations, see GPT MIN–1 and 2, Documents 178 and 179, and the memorandum of conversation by Morris, April 14, Document 181.

No. 637

762.022/5–1453: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

SECRET PARIS, May 14, 1953—7 p.m.

5950. At Mayer's request Burin des Roziers called on me today to give me full report re conversation with Adenauer on Saar. Talk took place Tuesday night [2] at Hotel Matignon and lasted two to three hours. Present were Mayer, Bidault, Burin des Roziers for French; Adenauer, Hallstein, Blankenhorn for Germans. Adenauer opened by outlining his position as follows:

1. As legal point any settlement of final German frontiers must await definitive peace treaty. Therefore Saar frontiers can only be finally settled by peace treaty.

2. He was willing to grant political autonomy to Saar with Saar Government to have own Parliament. But in some respects (not detailed by Adenauer) Saar must be subject to a European authority. He suggested coal and steel authority for this purpose.

3. He had heard that monetary problem was considered important to French. To him it seemed not so important. He looked forward to general convertibility of European currencies in next few years and this should automatically take care of problem.

4. On economic side Germany had special interests in trade with Saar. Also German business interests must have right to invest in Saar industries.

5. Any Franco-German agreement must be subject to ratification by a newly elected Saar Parliament. Elections for this Parliament must be completely free with all parties allowed to take part in election.

6. Due to proximity of German elections this not the time to make any agreement. He was confident that he would be successful in elections and at that time, after elections, but not sooner a Franco-German agreement could be reached.

---

[1] Repeated to London and Bonn.

[2] May 12.

7. He said that he realized that for economic reasons and in particular because of the burden of refugees from the east, the population of the Saar did not now and for foreseeable future would not want to return to Germany.

Mayer for French then answered Adenauer's points in order:

1. Settlement of Saar problem necessary now before ratification of contractual agreements. Problem must be settled if progress toward European unity to continue. French recognized problem of Germans re necessity postpone definitive boundary settlement to peace treaty. Saw no reason why language satisfactory to Adenauer on this point could not be worked out.

2. Welcomed Adenauer's comments on this point but said it not clear exactly what powers should be reserved to European authority. Suggested that council of Europe might well be preferable to coal and steel authority as over-all authority.

3. Continuation of Monetary and Customs Union vital to France. Convertibility of currencies had nothing to do with problem which is simply that French economy requires that Saar trade with French for monetary purposes. Pointed out that French had stated this clearly last fall and after objection by Adenauer had asked him to submit his counterproposal. No German counterproposal received as yet. Mayer inquired if Adenauer now prepared to make a German proposal. Adenauer replied in evasive terms and question was dropped.

4. France had no intention of interrupting normal Saar trade with Germany. France agrees Germany has an economic interest in Saar. Question of German ownership of Saar industries not insurmountable. French understand Germans completed a detailed study of German-Saar economic relationships some three or four months ago. French had requested copy of this study some months ago but had not received it. It would be useful to negotiations if French could have a copy of this study. Adenauer made no reply to this request.

5. French could not agree to submitting accord to a newly elected Saar Parliament. This would not be a clear test as any election would be affected by other partisan political questions. Also any vote in Saar Parliament would also be subject to other partisan intrigues. French proposed as alternative a referendum to approve or disapprove the Franco-German agreement. If agreement approved there could then be new and completely free elections in Saar. Adenauer had no very good answer to French arguments and French had definite impression that Adenauer would in the end accept their position on this question.

6. French regretted Adenauer's decision to postpone decision till after his elections but expressed understanding of his political problem. French suggested that interim conversations continue to prepare way for prompt agreement after German elections. Adenauer said he felt such talks would not be productive and suggested it would be better to put whole subject aside until fall. End detailed summary of talks.

French feel talks have been useful as they narrowed real area of disagreement to question of Monetary and Customs Union. Here no progress was made as Adenauer obviously not ready to show his hand until serious negotiations start in fall.

French also felt that Adenauer's personal suspicion of Bidault had been removed and path for future negotiations had been greatly smoothed. [3]

DILLON

[3] Other reports on the Adenauer–Mayer meeting, essentially along these same lines, were transmitted in Coled 75, Polto 2245, and telegram 5973 from Paris, May 15 and 16 (740.00/5–1553 and 740.5/5–1653); telegram 6146 from London, May 18 (651.62A/5–1853); and telegram 4999 from Bonn, May 20 (762.022/5–2053).

No. 638

762.022/7–2353

Memorandum by Coburn Kidd of the Office of German Political Affairs to the Counselor of the Department of State (MacArthur)

SECRET PERSONAL [WASHINGTON,] July 23, 1953.

Apropos of our conversation Wednesday about current difficulties, [1] especially in the German part of the picture, it seems to me that there is one source of trouble which people do not give near enough attention to: the Saar. No one talks very much about the Saar. M. Bidault and French candidates for investiture say that this is of course a precondition for ratification, which can be taken up again with Adenauer after the German elections. Adenauer says that, understandably, no one would expect him to go into the subject at this time, until after the elections. The British and we say that we should be glad to endorse any solution mutually acceptable to the French and Germans, but they must by no means allow this problem to stand in the way of bigger things. In short, we all act as though this were a rather small unmentionable case of piles in the body-politic of Europe, whereas in fact it may be a fistula as large as that from which Cardinal Richelieu was reputed to have suffered.

I can illustrate the point by something Gruber told me in Vienna a year ago. Koudryavtsev, the Soviet Political Adviser, told Gruber one day that the Soviet Union had been much concerned at the efforts being made by the Western Powers to create the EDC and bring Germany into it, since it was obviously an aggressive mili-

[1] This conversation has not been further identified.

tary pact aimed at the Soviet Union. They *had been* concerned, he said, until they learned that in connection with the negotiations Adenauer and Schuman had begun discussions about a settlement of the Saar. The Soviet Union felt that, with the Saar issue involved, there was much less reason to fear that the EDC need be taken seriously within the foreseeable future.

The relevance of Koudryavtsev's remark, it seems to me, is borne out by a number of things. We could not have any serious discussion of a German settlement with the Soviets because the three Western Powers have never agreed on a number of most fundamental points with regard to their German policy. We are so far apart that many things are never even discussed. The furthest separation is between ourselves and the French, but the British are affected by it and share the general malaise.

The symptoms are an impossibility to obtain agreement with the French, not only on big things like the EDC and general German policy, but on a host of little things which sometimes very nearly fill the basket—electrical equipment from Berlin, border police, unfinished rivets for Dutch planes, small patrol boats, German assets in Greece, war criminals, AR questionnaires, OSP, Foreign Legion recruiting, pistol licenses for 32 distinguished Berliners, etc., etc.

In seeking the cause of this state of things, I have no doubt that there are many intangible factors, which add up to "the Frenchman's state of mind", that are contributing causes; but I am struck with the fact that Bidault once came forward with something quite concrete and specific, and fought his battle for it openly for two years (from September 1945 through 1947), with every indication that this was the keystone of French policy toward Germany. His proposition was "separation of the Ruhr, the Rhineland, and the Saar". The French lost the trick on the Ruhr and the Rhineland; I think that their feelings and their policy may be summed up as "damned if we are going to lose the trick on the Saar". The war would not be regarded as having been worth fighting if they do not at least get that much out of it (as President Auriol said in almost so many words to Ambassador Dillon last month). From the first meeting of the Control Council in 1945 until it broke up in 1948 General Koenig blocked every attempt to create central German governmental agencies, or to associate the French with "Bizonia" or "Trizonia", on the grounds that "questions of this nature could only be discussed after the Western frontiers of Germany had been settled".

My point is that this earlier French policy may by no means be discounted as merely a passing phase, but, at least so far as the Saar is concerned, must be regarded as still the French position, now much strengthened by force of habit. I would wager, at liberal

odds, that after a conference with the Soviets has been held (if it will be held), and has failed, and we ask the French "Now will you ratify the EDC?", their reply will be: "Not until we are satisfied with respect to the Saar—and if you are really anxious for us to act, you might bring pressure to bear upon Adenauer in order for him to make it possible for us to ratify."

The result is that neither tripartite agreement on fundamental German problems nor the coming into effect of the EDC may be possible so long as the Saar problem is outstanding.

I have no idea what to do about it. In the good old days Bismarck could have made a deal with Napoleon III to give him the Saar in exchange for support for recovery of the Oder-Neisse. I believe that certain confidential remarks of Adenauer lead Dr. Conant to believe that Adenauer can make the necessary concessions after the elections. Any so-called concessions that have been made up till now, from either side, have been finely calculated, not to obtain agreement but to make the other side look unreasonable in the eyes of the British and the U.S.

I am very skeptical about Adenauer's making the "necessary" concessions. The problem is partly political, partly economic. The Germans would probably make rather substantial economic concessions if they could feel assured that they would not, in the long run (5 or 10 years), politically lose the Saar, i.e. the Saar to remain German territory or have the possibility of opting for Germany. This is precisely what the French are interested in preventing. Among the reasons why the Germans will not give, in any final sense, on the political side, is that they might thereby seriously prejudice their case, such as it is, for recovery of the Oder-Neisse areas. In the pre-Bermuda conferences we gladly passed over the subject of frontiers as almost too disagreeable to talk about. In the attached position paper, [2] especially the Annex on the history of the problem, I have tried to show exactly how disagreeable it is.

In the case of both the Saar and the Oder-Neisse there is the problem of the area intrinsically and the problem of the area as a symbol. In both cases the symbolic aspect so overshadows the intrinsic that it would be taken as a major blow to national prestige—French or German, Polish or Russian—to have to give way without compensation. I suppose that it is the same for Trieste also, but in the other case there is still a sporting chance that the Germans would be willing to pay something for the sake of unification.

---

[2] Not found attached to the source text.

No. 639

762.022/7-2753: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, July 30, 1953—4:35 p.m.

382. Department hopes very much that Adenauer will not make campaign issue out of Saar problem and suggests that HICOG endeavor by every suitable way to dissuade him from course indicated in Blankenhorn conversation (urtel 413 repeated Paris 54 London 43 Strasbourg 2 [2]).

Recognized that SPD will probably attempt build fire under Government on Saar issue, but it seems to us that Adenauer has strong defense position as it is, based on record Bundestag resolutions and his provisional conversations with French. Although we in no sense wish dictate how he should conduct campaign, it is proper to question necessity of his taking offensive on this particular issue, and fair to warn him of damage that can be done to Germany's international relations by far-reaching campaign utterances which he hopes to ignore later. It should be made plain to Chancellor that under no circumstances can US be associated with any views he may express on Saar which go beyond public record of our position as stated in past and most recently in communiqués following Mayer and Adenauer visits.[3]

DULLES

---

[1] Drafted by Kidd, cleared by McBride, Matthews, and Bonbright, and initialed for the Secretary of State by Lewis. Repeated to London, Paris, Berlin, and Strasbourg.

[2] Telegram 413 reported Blankenhorn's view that the Chancellor would have to make clear during the election campaign that he considered the Saar to be German territory, but that he would do his utmost to be as inoffensive as possible to France in his statements on the Saar. (762.022/7-2753)

[3] For text of the communiqué on Adenauer's visit, see Document 185.

No. 640

Editorial Note

At the meeting of the Consultative Assembly of the Council of Europe in September 1952, the question of the future position of the Saar was referred to the Committee on General Affairs for the preparation of a report. The General Affairs Committee selected Marinus van der Goes van Naters, Dutch Labor Party Chamber Member, as *rapporteur* who, with the help of the Secretariat-Gener-

al of the Council, began work immediately. The report was completed in two parts in August 1953. Part one, which considered the historical, legal, and economic aspects of the problem, consisted of 162 pages and was dated August 20. Part two, dated August 4, considered the protection of human rights and fundamental freedoms in the Saar and consisted of 56 pages. In subsequent publications the two sections were combined into one report of 234 pages. Copies of the two sections were transmitted as enclosures to despatch 292 from The Hague, September 10, 1953 (762.022/9–1053), while a copy of the combined report as released to the press, was transmitted as an enclosure to despatch 125 from Strasbourg, November 18, 1953. (740.00/11–1853) A summary of the report was transmitted in telegram 18 (eight pages) from Strasbourg, September 6. (762.022/9–653)

At the end of the report, van der Goes van Naters appended a draft resolution on the future status of the Saar. The essential points of the resolution were that the Saar would become a European territory with a European Commissioner appointed by the Council of Europe who would be responsible for all external and defense questions. The Franco-Saar economic union would be replaced by a 50-year treaty of economic cooperation whose main aim would be to maintain the common market between France and the Saar, but would also contemplate the evolution of a common market between the Saar and Germany. The Governments of the United States, the United Kingdom, France, and the Federal Republic would guarantee the settlement pending the conclusion of a peace treaty with Germany or a settlement in lieu thereof.

No. 641

762.022/9–953: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, September 9, 1953—7:43 p.m.

1291. Now that Adenauer has won such impressive election victory, [2] Department trusts that he and French may shortly be willing resume efforts work out Saar settlement or at least reach basic agreement on principles of such settlement. Though we do not agree with French that settlement constitutes bona fide condition for their EDC ratification, we have for some time considered seri-

[1] Drafted by Morris and cleared by Knight. Repeated to Paris, Bonn, and Strasbourg.

[2] For documentation on the Federal elections of Sept. 6, see Documents 217 ff.

ous effort desirable to attain same, both with view to settling this serious obstacle Franco-German relations and also just as we hope that 4-power meeting on Germany may help clear air for action by French Parliament re contractual and EDC treaties. [3]

London requested approach FonOff along above lines, with suggestion that if Brit agree, we should informally but at about same time in both Bonn and Paris encourage Germans and French to resume Saar negotiations, this time with as little fanfare as possible. As was case during abortive negotiations year ago, would propose that we and British avoid becoming involved re substance, confining our efforts to urging both sides forward and to show willingness to compromise, and saving whatever influence we may be able exert re substance until negotiations reach critical, i.e. decisive, stages. [4]

DULLES

[3] For documentation on the exchange of notes with the Soviet Union in the summer and fall of 1953 concerning a four-power meeting, see Documents 257 ff.

[4] On Sept. 10 the Embassy in London reported that the preliminary Foreign Office view was opposed to any initiative since the French and Germans were showing every sign of getting together on the Saar by themselves. However, if these indications were not borne out by early action, then the Foreign Office agreed that a joint initiative should be made. (Telegram 1035 from London, 762.022/9–1053)

No. 642

762.022/9–1153: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET BONN, September 11, 1953—4 p.m.

991. Reference Deptel to London 1291, repeated Bonn 816 Paris 866 Strasbourg 5. [2] I believe strongly that Chancellor is ready to take early initiative in settling Saar problem. This was brought out in conversation Bruce and I had with him yesterday. Chancellor hoped to get in touch with Bidault sometime in October and at our urging appeared ready to send Blankenhorn with letter to Bidault even before Bundestag investiture. I doubt though that meeting can take place much before middle of October. Chancellor expected to go on leave for 10 days in near future, he will be preoccupied with formation government and Bundestag matters, and Adenau-

[1] Repeated to Paris, London, and Strasbourg.

[2] *Supra.*

er-Bidault meeting needs careful preparation both with political leaders and technical experts.

Chancellor's views on Saar as expressed in meeting essentially along his statement to press (reference telegram to Department 989, repeated Paris 166, London 126 Strasbourg 9 [3]). He underscored necessity of free decision by Saarlanders and declared himself in favor of Europeanization.

I believe Chancellor's negotiating position on Saar is strong both internally and vis-à-vis France. He is likely to overcome opposition by FDP and certain elements of his own party (reference telegram sent Department 971, repeated Paris 163 London 121 Strasbourg 8 [4]), though obviously his hand is not entirely free. I believe he and his advisors feel that recent events (e.g. French strikes, Adenauer victory) have probably strengthened sympathies for German position in Saar. Thus it is too early to predict exact course Germans will follow in negotiations.

I am confident though that Chancellor will try his best to subordinate Saar problem to his major objective of European integration and Franco-German understanding.

I fully agree with Department's position on our role during initial phases of negotiations as given in reference telegram.

CONANT

[3] Telegram 989 reported that at a press conference Adenauer had stated that new elections should determine where the Saar belonged adding that a freely elected *Landtag* would probably prefer a European solution. (762.022/9-1053)

[4] Telegram 971 reported that the Foreign Office expert on the Saar was going to Strasbourg with instructions to effect a postponement in the Council of Europe debate on the Saar in order to allow France and the Federal Republic time to reach an agreement. (762.022/9-953)

No. 643

762.022/9-1253: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

SECRET PARIS, September 12, 1953—2 p.m.

1044. At Maurice Schumann's request, I called on him this morning. The interview concerned the Saar. He said that the French Government had not as yet answered the letter delivered by Adenauer on June 25, 1953 protesting against the recent Franco-Saar

[1] Repeated to Bonn and London.

convention, [2] because the French Government had wished to do nothing that might harm the position of Adenauer in the German elections. The elections being over, the French Government feels that it must now answer Adenauer's letter of protest. Their answer, now ready in draft form, was handed to me by Maurice Schumann. Full text follows in later telegram. [3] Schumann stated that answer was written in a friendly tone contrasted with the rather sharp tone of Adenauer's letter of June 25, because the French Government wished to use this answer as a means of getting on with Franco-German negotiations on the Saar. Schumann said that the French Government was prepared at any time, beginning immediately, to sit down with Adenauer to work out an agreement on the Saar. The final sentence of the draft reply contains an invitation to Adenauer to commence conversations. Schumann said that in the interest of getting on with the EDC, he hoped that Adenauer would very promptly be willing to sit down with Bidault and commence negotiations on the Saar.

The draft response to Adenauer will be delivered to him some time in the near future, but the French first desire any comments or suggestions the US Government cares to make on their draft reply. Schumann told me that the French will be glad to consider any changes in language which we may suggest. The draft reply is also being given to the British Government, and their suggestions will also be welcome. It is obvious that the French Government has put a great deal of thought into the preparation of this draft reply to Adenauer, so I feel that we should only make such suggestions as we feel to be of real importance.

In closing, Schumann asked if we could give him any suggestions as we might have very promptly as they did not wish to hold up their answer much longer.

I am somewhat disturbed by information in Bonn telegram to Department 991 [4] indicating that Adenauer will not be able to open discussions on Saar until middle of October. I am sure Department realizes that such delay on his part means equivalent delay in date when EDC can be submitted to French Parliament.

DILLON

---

[2] Copies of this letter were sent as enclosures to despatch 18 from Bonn, July 2 (762.022/7–253). A summary of the letter quoting its highlights was transmitted in telegram 2 from Bonn, July 1. (762.022/7–153)

[3] Telegram 1046 from Paris, Sept. 12, transmitted the French text and an English translation. (762.022/9–1253)

[4] *Supra.*

No. 644

762.022/9-1453: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET PRIORITY BONN, September 14, 1953—8 p.m.

1027. Reference Paris telegram Department 1044, repeated Bonn 190, London 172; Paris to Department 1046, Bonn 191, London 173. [2] We believe French reply to Adenauer note of June 25, 1953 [3] may well prejudice favorable outcome of Saar negotiations. While we fully expected that French will enter negotiations with stand to maintain present *status quo* in order to drive best possible bargain, there is considerable difference between doing that at conference table and serving advance notice as French now intend. German reaction can only be stiffened attitude, even before conference table reached.

We cannot help feeling that French engaged in effort to commit United States to support of policy aimed at something like present *status quo*. While we cannot predict German position and tactics in coming negotiations, we believe that no German agreement can be obtained to such settlement, even if garbed in "European" cloak. Best line seems to get Germans to renounce sovereignty over Saar against concessions regarding trade and customs, mining management and Roechling Steel Works. Therefore, if we are ever called to intervene our position would need to be at some distance from present French stand. To comment on substance of present French note would impair our future usefulness.

We recommend that consideration be given to pointing out to French that our objective as expressed in our reply to Adenauer's note of June 25 [4] was not only to maintain moratorium on Saar debate during German elections, but that we hoped "that all parties concerned will refrain from taking any action which might prejudice these negotiations or fail to improve the atmosphere in which they will be resumed". Should the French Government deem it necessary to answer Adenauer's letter of June 25 before negotiations start, the United States Government does not feel able to

---

[1] Repeated to Paris, London, and Strasbourg.

[2] Telegram 1044, *supra*. Regarding telegram 1046, see footnote 3, *supra*.

[3] See telegram 1044, *supra*.

[4] On July 25 Conant advised that he had sent Adenauer a note which expressed the hope of the United States that the Franco-German talks on the Saar would be resumed quickly and that in the interim neither side would take any action that would prejudice the negotiations. (Telegrams 387 and 113 from Bonn, July 25 and 7, 762.022/7-2553 and 7-753)

make comments on the draft note which it considers essentially a matter between the French and German Governments.

CONANT

No. 645

762.022/9–1453: Telegram

The Acting Secretary of State to the Embassy in France [1]

SECRET PRIORITY WASHINGTON, September 15, 1953—4:37 p.m.

954. Believe argumentative French reply to Adenauer's June 25 letter [2] (Paris telegrams 1044 and 1046) would be entirely wrong way to get negotiations started under auspicious circumstances. Further believe we should not indicate acceptance, tacit or otherwise, of specific points made in draft reply by suggesting modifications or otherwise commenting on substance various points.

Embassy Paris should coordinate with British Embassy in attempt make joint effort head off despatch letter this type. You should point out that Adenauer's letter sent under election stress and French reply in kind at this time, especially if made public, would be likely seriously upset new atmosphere conducive to negotiation created by election results.

For HICOG: In view last paragraph Paris 1044 repeated Bonn 190 London 172 suggest that in coordination with British HICOM if time permits you urge Adenauer prior his departure on leave to send Bidault message emphasizing desire resume Saar negotiations as soon as much-needed holiday over and new government established, and proposing date as early in October as possible. Must say we also somewhat disturbed by indications given urtels 989, 991 [3] that Adenauer and Brentano apparently thinking in terms of Saar elections as first step toward settlement. We have long recognized basic weakness French position with regard to non-authorization new political parties but as emphasized at time last year's negotiations (Deptels 858 August 22, 1952 to Bonn, sent London 1270, Paris 1040 and 1750 October 14, 1952 to Bonn, sent Paris 2145 repeated London 2645 [4]) believe that as practical matter new elections

---

[1] Drafted by Fisher of WE, cleared by Morris, and initialed for the Acting Secretary of State by Bonbright. Also sent to Bonn and repeated to London and Strasbourg.

[2] See telegram 1044, Document 643.

[3] Telegram 991, Document 642. Regarding telegram 989, see footnote 3 thereto.

[4] Telegram 858 is not printed. (762.022/8–2252) Telegram 1750 is printed as 2145 to Paris, Document 629.

should come at end of process by which settlement achieved. If Germans now press elections as first step we fear French will again only become alarmed and such approach will not get negotiations off to good start. Hope therefore you can discourage such German thinking.

Bonn and Paris comment further regarding Van der Goes report, [5] i.e. specific points probably acceptable both sides and those which clearly unacceptable either side.

Also desire more information regarding circumstances preparation of report.

Since above drafted Bonn's 1027 [6] received. Embassy Paris should use first sentence last paragraph in discussion with French. [7]

SMITH

[5] See Document 640.

[6] *Supra.*

[7] On Sept. 16 Dillon reported that he had discussed this telegram with Bidault who said he would examine the note and see what he could do to soften its contents. (Telegram 1087 from Paris, 762.022/9–1653)

No. 646

762.022/9–2353: Telegram

The Secretary of State to the Consulate at Strasbourg [1]

CONFIDENTIAL
PRIORITY

WASHINGTON, September 23, 1953—7:28 p.m.

10. British Embassy has shown us position paper provided British Delegation Council of Europe on van der Goes van Naters report. British regard report as useful attempt provide basis for further Franco-German negotiations. Prefer however to leave initiative up to French and Germans. In this connection they believe composition of conference to be convened next year to consider issue makes it too unwieldy to deal with delicate Saar issue. Would prefer to have Assembly refer report to French and Germans for study and consideration during their bilateral negotiations. British also raise specific point about proposed powers of Commissioner re defense.

We generally agree with above British comments. Believe CE actions should aim at spurring on Franco-German talks, but should not seek to take initiative. Therefore believe that timing of any conference called by CE should be flexible enough to adjust to status at that time of expected Franco-German negotiations.

[1] Repeated to London, Paris, and Bonn.

In view of direct US interest in issue and proposal that US guarantee final settlement, you may if queried pass on import of above as tentative US reaction to report and proposed resolution.

DULLES

No. 647

762.022/9–2453: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

TOP SECRET PARIS, September 24, 1953—8 p.m.

1229. Department limit distribution. In course of interview with Bidault this afternoon during which he gave me copy of French reply to Adenauer letter of 25 June (see Embtel 1228 [2]), he fully outlined his thoughts on Saar.

He feels certain that there must be a debate in French Parliament very promptly on European policy. He has not yet made up his mind as to whether he should meet Adenauer before or after this debate. In any event, he feels he must have meeting with Adenauer before the EPC meeting at The Hague scheduled for October 22. If necessary, The Hague meeting should be put off for a week or ten days to allow him to complete negotiations with Adenauer. These negotiations will cover EPC as well as Saar. Bidault feels whole future of Europe rides on these negotiations and hopes that we will back him up with Adenauer. Key question is customs and monetary union talk that, he says, he must have, and if he gets this he thinks other economic problems will be easy to settle and may even be put off for later settlement. He, of course, assumes Europeanization as the political status of the Saar. He spoke highly of Adenauer and in particular of Adenauer's sincere wish for Franco-German *rapprochement.* His only fear is that Adenauer may feel forced to ask too much because of pressure from the right side of his coalition.

Bidault told me his information from Blankenhorn was that Adenauer would not be ready to talk on Saar until his new government was fully formed and operating, i.e., about October 15. This confirms information in Bonn 991 to Department. [3]

---

[1] Repeated to Bonn eyes only for Conant, and to London eyes only for Aldrich.

[2] Telegram 1228 reported that Bidault had handed Dillon a copy of the French reply to Adenauer's letter of June 25. Dillon commented that "while the final draft covers all the points raised in the original draft, the tone of the document is entirely different" and seemed to be a substantial improvement over the original. (762.022/9–2453) The French text of the note was subsequently transmitted as an enclosure to despatch 874 from Paris, Sept. 25. (762.022/9–2453)

[3] Document 642.

Bidault does not share Laniel's views on necessity of waiting for Presidential election to ratify EDC in French Parliament. If he gets a Saar settlement and a reasonable agreement at The Hague, he feels that ratification talks could well take place during November. Regarding EPC, Bidault feels that URAS Ministers and Teitgen are both wrong, and he favors a moderate position midway between both views. He was particularly irritated at Teitgen. He said Teitgen had given the text of the instructions of the French delegation at Rome to the Germans and to the Italians.

DILLON

No. 648

762.022/10-253: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

SECRET PARIS, October 2, 1953—6 p.m.

1339. Forthcoming Bidault–Adenauer negotiations on the Saar are shaping up as crucial point of whole movement toward European integration. While French have many technical and economic reasons to back up their position, the negotiations have far deeper significance to France than merely obtaining this or that economic advantage, no matter how important. The French have come to look on these negotiations as a key test of German sincerity in working for European unity. This point of view, stressed by Mayer last spring, [2] has now been accepted by Reynaud, Pleven, [3] Laniel, and practically all other EDC advocates.

As practical matter, any Saar settlement will have to be substantially along basic lines of French position given Adenauer last spring by Mayer and Bidault. If settlement cannot be reached on this basis, chances are that no further progress toward European unity can be made in France, and that EDC would be dead for foreseeable future. Resentment at failure to reach settlement will be particularly strong in view of fact that both Bidault and Mayer were—rightly or wrongly—left with impression by Adenauer last spring that he would settle on roughly this basis in the fall.

---

[1] Also sent to Bonn and repeated to London.

[2] Regarding Mayer's conversation with Adenauer on May 12, see telegram 5950, Document 637.

[3] Paul Reynaud, French Delegate to the Council of Europe, and René Pleven, French Minister of National Defense.

Pressure on French to reach any other type of settlement would not be productive, so only place we can use our influence usefully would appear to be with Adenauer.

I have in mind indication in Washington intel September 29, 1 a.m. [4] that Germans may still be insisting upon ratification of Franco-German accord re Saar by newly elected Saar *Landtag*. This remains totally unacceptable to French, who stick by formula given Adenauer last spring by Mayer and Bidault, namely (a) Franco-German agreement; (b) submission of that agreement to Saar population in referendum (c) elections in Saar at later time as integral part of package deal, but such elections to take place in Europeanized Saar, French position in this regard has been fortified by Van Der Goes report which, in effect, gives clean bill of health to last year's election.

Time schedule on Saar negotiations is also of major importance. Feeling in French Parliament is now running in favor of EDC ratification, provided Saar can be settled. It is of greatest importance that we strike while the iron is hot and not run risk of letting unnecessary delay introduce some new element that could change the situation. If Bidault–Adenauer meeting on Saar can take place about October 20, it could be possible to reach agreement in time for Hague meeting to take place October 27 or 29 and for EDC to be brought up for ratification in France about mid-November. Any delay in program will bring French presidential election into picture and force delay until at least after mid-December. At that time, EDC would be competing with budget debate which is sure to produce usual difficulties and ill will among deputies.

In view of above, I wonder whether time has not come to have frank talk with Adenauer with view to speeding up negotiations and to stressing overriding importance of Saar negotiations to European policy which he favors.

DILLON

[4] Not found in Department of State files.

No. 649

740.5/10-253: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, October 3, 1953—2 p.m.

1107. Developing situation favorable to French ratification EDC November and extreme importance agreement on Saar and its timing (Paris tels 1335, 1339, 1340 [2]) leads Department to concur with views expressed by Dillon that time has come to have frank talk with Adenauer.

Although we cannot rule out possibility need for our exerting pressure on French at appropriate time to accept reasonable Adenauer proposals, key to realization European policies appears now squarely in Adenauer's hand. We hope you can convince him that this opportunity must be grasped quickly (meeting with Bidault about October 20 and Hague EPC meeting by end of October) and that it is in interest entire western world that early agreement be reached. As indicated Paris 1339, framework of possible agreement for French Government remains approximately that given last spring to Adenauer by Mayer and Bidault. We strongly hope German position can be adapted to this and that in any event any German efforts to modify framework should take place in course of conversations with French as mutually agreed rather than frozen beforehand.

DULLES

---

[1] Drafted by Fisher of WE and Kidd and cleared with Bonbright. Repeated to London and Paris.

[2] Telegram 1339, *supra*. Telegram 1335 transmitted the substance of a conversation with Reynaud concerning the importance of a Saar settlement. Telegram 1340 examined trends in the French National Assembly concerning the EDC. (740.5/10-253)

No. 650

762.022/10-653: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET PRIORITY BONN, October 6, 1953—7 p.m.

1321. As result of very brief talk with Chancellor yesterday and long conversation with Hallstein this morning it is clear to me that Chancellor will not be in position to discuss important issues before next week. Hallstein was quite frank in saying Chancellor was finding much greater difficulty in putting his Cabinet together than was expected and was much annoyed over political problems presented, which Hallstein said were far greater than before when he had only a narrow margin in Bundestag.

Chancellor will probably not be elected before Friday and seems unwilling to discuss any aspects of Saar problem with Bruce and myself even on informal basis before next week. I pointed out to Hallstein most urgently our worries at delay in Chancellor's meeting with Bidault, as scheduled for early November at Hague. Hallstein was sceptical over ability to make this much sooner in view of delays in forming Cabinet and Chancellor's belief he must consult Cabinet even more fully on such matters than has been his custom in past. Nevertheless, if Chancellor will see Bruce and myself next week we will propose to do all we can to urge earlier meeting with Bidault.

Next few days, in which there is theoretically no Chancellor, is a peculiarly inappropriate time to raise any issues with German Government. In my conversation with Hallstein I painted in dark colors consequences of failure to get French ratification before January 1 and difficulties of French taking action after December 1 for reasons described in recent cables from Paris. Believe I worried Hallstein and trust he will transmit some of these worries to Chancellor even at this period when he is so concerned with internal affairs.

CONANT

---

[1] Repeated to Paris, London, and Berlin.

No. 651

762.022/10-2053: Telegram

The Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, October 21, 1953—7:10 p.m.

1528. Paris pass Bruce. As Secretary informed Bidault at London [2] we are immensely concerned lest next few months opportunity slip by without French and Germans achieving essential progress European integration. Since every French utterance on EDC has been to effect Saar settlement is prerequisite ratification it appears imperative French and Germans try achieve forthwith outline mutually satisfactory Saar arrangement. Heretofore various pretexts have cropped up for delaying Franco-German negotiations. Latest has been necessity wait for Adenauer form cabinet. This has now been done. Further delays apparently will result in still additional problems arising such as French attempts ratify Franco-Saar Conventions for purpose improving French bargaining position before Bidault–Adenauer talks. We are gratified note from Paris telegram 1525 [3] Embassy already planning take negative line with French on this proposition, and agree conclusion Paris telegram 1554 [4] that high-level action this front required if French persist.

We are concerned apparent stiffening Bonn's position (HICOG 1357 [5]) and in this connection now need Bonn's estimate on when Adenauer will be prepared begin talks. It would appear initiative lies with Germans since French letter September 25 conveying invitation open discussions is last written communication on subject. [6] Opportunity raise this point would appear lie in Conant–Bruce talk with Adenauer envisaged HICOG 1321 [7] now that German cabinet formed. We also need Paris estimate Bidault readiness to begin talks at once.

We see from Secto 27 October 18 [8] Bidault has told Secretary he will not go to Hague meeting without some form preliminary ap-

---

[1] Drafted by McBride, cleared by Morris and RA, and initialed for the Secretary of State by Bonbright. Also sent to Bonn and repeated to London and Strasbourg.

[2] For a record of Secretary Dulles' conversation with Bidault on Oct. 16, see Secto 27, Document 302.

[3] Not printed. (762.022/10-1953)

[4] Not printed. (762.022/10-2053)

[5] Telegram 1357 reported the views of various party leaders in the Federal Republic on the question of the Saar. (762.022/10-1053)

[6] See telegrams 1044, 1027, and 954, Documents 643–645.

[7] *Supra.*

[8] Document 302.

proval EDC and EPC by Assembly. It is unclear exactly what he has in mind, particularly with reference EPC. Presumably however it is something sufficiently concrete as far as EDC approval is concerned to require previous Saar settlement. This makes progress this front even more important if all phases European integration not to be slowed down.

Paris and Bonn are instructed discuss Department's views on urgency Saar question at high level. Reference could be made Secretary's views as expressed Bidault London regarding catastrophic effects further long delays on European integration, which appear to us, at least from French side, blocked by absence progress on Saar. While we have never admitted Saar solution was legitimate prerequisite French EDC ratification fact is some progress must take place before anything else will happen. Therefore this subject seems to take number one priority now.

We would hope French would be satisfied settlement going into detail as little as possible in order speed up EDC ratification, and that broad general outlines economic and political settlements would suffice. Laniel investiture statement ". . . [9] certainty should be obtained concerning a Saar settlement" appears leave way open for only generalized settlement prior to ratification. We would suspect Germans would also prefer this, and we trust Embassy Paris will express conviction French will not want to hold up EDC until every "i" is dotted and "t" crossed on this very old, delicate and complex problem. On contrary we have always felt satisfactory detailed solution could occur only as European integration generally progressed to point where Saar Europeanization could be workable reality and not merely catchy phrase. We remain convinced ultimately settlement must result from increasing effectiveness and number European organizations which can take over various phases Saar affairs and thus prevent Saar from becoming another small European state—solution which is unacceptable to Germans.

DULLES

---

[9] Ellipsis in the source text.

No. 652

740.5/10-2453: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

SECRET PARIS, October 24, 1953—7 p.m.

1619. From MacArthur. [2] Following is summary my meeting with Hallstein and Blankenhorn at Bonn today which lasted about hour and half:

I opened saying as old friends I would talk with complete frankness and expected them do same. Before going to some of problems I wished discuss with them I assured them tripartite meeting Paris was in first instance for full exchange views and would not make any final decisions. [3] Final decisions by three governments would only be made after adequate consultation with Germans. I said it would be most helpful for Paris tripartite if German views re elections and status all-German government could be received by October 28. Hallstein expressed appreciation for assurances but said German position re elections and all-German government could only be forthcoming after German Cabinet consideration. Since first Cabinet meeting scheduled only for October 27, he doubted whether German views available before November 1.

I then gave our view that as result developments last several months and particularly Federal Republic elections we had entered new period which had great possibilities if they were developed but this period would only last several months. We believe future of Europe is hanging in balance and decisions taken in next 3 or 4 months will determine whether Europe moves forward to real strength and unity or whether it will passively let march of events recreate same old fire trap which led to conflagrations of past. If EDC fails or is put off we will be faced with new and disturbing alternatives not of our own making. I did not believe US Congress or public would pour further resources and treasure into a Europe which seemed incapable of unity which essential to any real strength.

---

[1] Repeated to London and Bonn.

[2] On Oct. 22, MacArthur, who was in Paris for the meetings of the Tripartite Working Group (see footnote 3 below), reported that Blankenhorn had asked him to visit Bonn for informal talks with him and Hallstein. After consulting with Conant, Dillon, and Bruce, MacArthur agreed to make the trip primarily to stress the necessity for the Germans to be as forthcoming as possible on the Saar. (Macto 7 from Paris, 762.022/10-2253)

[3] For documentation on the work of the Tripartite Working Group which met at Paris, Oct. 21-Nov. 2 and Dec. 16-21, see Documents 312 ff.

In particular I wished talk about Saar which we strongly felt was greatest remaining single obstacle to EDC. Although we did not recognize legal Saar-EDC link, as practical matter they linked by French. French look on Saar settlement acceptable to France as acid test of Germany's true intentions and good will toward France. We deeply disturbed by reports that elements in Federal Republic were adopting regressive position and wished Adenauer to backtrack on position he had taken with Bidault. [4] We felt it essential Adenauer go to extreme limit to meet French and we firmly believe Germans in better position politically to give more than France. We also believe this not time for public statements by German leaders which French can construe as threats. These simply give ammunition enemies of EDC in France and are resented by French elements supporting EDC. It urgent that French and Germans work out their problems privately and not in public declarations which would lead to further recriminations. I then said there strong pressures in France to bring Franco-Saar Conventions before Assembly in next couple weeks. We did not believe this would be helpful and would try to discourage it but if it did occur we were counting on Chancellor to do everything possible to keep German reaction to minimum.

Hallstein (who did most talking) took very grave view re Franco-Saar Conventions, about which he had heard saying with best will in world Adenauer could not restrain violent German reaction. At present SPD had nothing else to exploit but Saar issue and there would also be violent reaction on part of government coalition, particularly free democrats. He urged we use all possible persuasion with French.

He then outlined at length difficulties within Cabinet re Saar and his estimate of German public opinion along lines Bonn has reported saying while Chancellor intends be as forthcoming as ever with French and will not backtrack on stand he took with Bidault he has real problem with coalition although he will retain solid CDU support on any "reasonable" Saar agreement. One great difficulty is that Adenauer-Bidault talks dealt in broad generalities. What needed are criteria or principles governing Saar settlement and these Germans would try work out with Poncet. Adenauer wanted a real European solution which would advance and perhaps even serve as "pilot model" for further European integration. French on other hand wanted *status quo* maintained and simply given a European label.

---

[4] Regarding Adenauer's conversation with Mayer and Bidault on May 12, see telegram 5950, Document 637.

This would never be accepted by Federal Republic or German public. There must be some new and truly "European elements" on solution, although these might be minimum. Main difficulty with Van Der Goes report [5] was that "it accepts present French economic control of Saar and only expresses pious hope that eventually a European solution will be found". Adenauer was not nationalistic about Saar and on contrary viewed it as only one element in broader context of European unity but there were limits—economic rather than political—within which Adenauer must remain. Solution must be economically "European" as well as politically.

Hallstein then said time might come when French and Germans would be deadlocked on Saar and if this happened it might be helpful both to French and German governments to have some kind of "informal mediation" by US and UK and possibly other European countries. He had no clear ideas about this but hoped we would keep in mind. In meantime he hoped we would urge French be reasonable just as we were urging Germans.

Concluding, Hallstein said another consideration re Saar agreement was fact that if Germans made great concessions and reached agreement with French, present French government might fall and be succeeded by one which might reject EDC or at least not push it or pose new conditions. Net result would be that Germany would have made great concessions on Saar to get EDC and EDC would be killed by France. He added he had no knowledge Laniel government would fall but reports from Paris were not encouraging re its longevity.

I concluded by urging again that Federal Republic give till it hurts in reaching settlement and reiterated view that public statements at this time very damaging.

DILLON

[5] See Document 640.

No. 653

740.5/10-2653: Telegram

The Secretary of State to the Embassy in France [1]

SECRET PRIORITY WASHINGTON, October 29, 1953—6:44 p.m.

1623. From Secretary for Dillon, Bruce. In connection with EDC, if we cannot get French ratification prior to French presidential

[1] Drafted by MacArthur and cleared in substance with Secretary Dulles and Bonbright. Repeated to Bonn for Conant.

elections, it is all the more imperative that period between now and presidential elections be used to work out basis for Franco-German Saar settlement (re Paris Embtel 1636 [2]). If agreement on principles of Saar settlement are not reached prior to presidential elections, we anticipate it will be extremely difficult if not impossible to bring EDC to vote in French Assembly immediately after elections.

Paris and Bonn should use every influence at their disposal to urge French and Germans respectively to push forward with Saar settlement on basis of reasonableness. If French insist on bringing Saar Conventions before Assembly, reaction in Germany will I believe be violent. In particular I am apprehensive Germans will take position that at very moment they prepared to sit down to work out Saar settlement, France is taking final action on Saar settlement by ratification of Conventions. If French insist on ratifying Saar Conventions and there is violent German reaction and breakdown in Franco-German talks on Saar, impression may be created French have deliberately injected Saar Conventions to prevent Saar agreement and thus to sabotage early French action EDC.

Amb Dillon should therefore continue do everything possible persuade French not act on Saar Conventions at precise time when they are getting ready to talk with Adenauer. In particular Bidault should be left in no doubt as to catastrophic effect on France's position if French take unreasonable action which makes agreement on Saar near future impossible. Bidault should also know that if French nevertheless proceed with ratification Franco-Saar Conventions, and as result are subsequently unable arrive at agreement on Saar with Federal Republic, US Govt will find it exceedingly difficult give support to French position with respect to future status Saar.

Amb Conant should continue urge Adenauer be as forthcoming with French as possible re Saar and in particular prevent public utterances in Germany which may be interpreted as threatening French since these serve as ammunition to French opponents EDC and are resented by French supporters of EDC. [3] Amb Dillon should likewise urge French not make any public statements which might aggravate situation.

DULLES

---

[2] Not printed. (740.5/10–2653)

[3] On Nov. 4 Conant reported that he had urged restraint on Adenauer as instructed in this telegram and that the Chancellor had said he would do his best, but was upset by French utterances which he felt were unjustified and far from helpful. (Telegram 1575 from Bonn, 762.022/11–453)

No. 654

762.022/11-553: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State

SECRET PRIORITY BONN, November 5, 1953—6 p.m.

1589. Limited distribution. Reference our 1567 and 1575. [1] Blankenhorn last night informed HICOG officer details as outlined below re November 3 talks on Saar between Adenauer and Francois-Poncet. Blankenhorn spoke with unwonted care and caution and enjoined most limited distribution this information to obviate leaks which could be highly prejudicial to success of negotiations. He expressly asked that information not be given Embassy Paris.

Discussions had been in general terms with avoidance details, and it was expressly understood that talks involved no commitments of either government.

In discussion economic question, Francois-Poncet had justified French demand (which had had US and UK support) for Franco-Saar customs and economic union as in nature of reparation for losses France had suffered in war. Blankenhorn intimated that validity of argument had been admitted at least tacitly, but that Chancellor had replied that Germans could not accept such arrangement permanently and that way must be found for gradual termination. Chancellor had indicated that Germany was prepared to make economic concessions to France in this connection. He had expressly asked what France calculated the economic advantages arising from link with Saar to be, which Poncet could not answer but agreed ascertain.

Berard, who present with Poncet, had taken line that French experts had given much study to possibility German economic concessions to France in lieu of Franco-Saar regime and had come to conclusion that such solution out of question. Poncet, according to Blankenhorn, had taken broader view than Berard and had given clear indication that he at least did not rule out such solution and was disposed to pursue further.

As for political questions, Blankenhorn stated that "Europeanization" formula for Saar had been accepted by both sides as general "objective". Adenauer had indicated readiness accept French thesis that Franco-German agreement on Saar should be submitted to Saar referendum. Poncet accepted participation pro-German par-

[1] Telegram 1567 reported that Adenauer and François-Poncet held their first meeting on Nov. 3 and would resume their discussions on Nov. 9. (762.022/11-453) Regarding telegram 1575, see footnote 3, *supra*.

ties in referendum and that letter should be promptly followed by election of Constituent Assembly.

Chancellor had raised (as Blankenhorn said he also had with Schuman last year) question of French agreeing that minute French areas adjacent Saar (i.e., Forbach) should be "Europeanized" along with Saar, to facilitate German action. Poncet alluded to extraordinary difficulties, including constitutional.

Blankenhorn said would be mistake to draw conclusions from these talks. There was no basis for optimism and equally no grounds for pessimism. Present plans were for resumption next Monday (9th). [2]

CONANT

[2] On Nov. 19 Dowling reported that the second meeting between Adenauer and François-Poncet, Nov. 9, was devoted mainly to a detailed statement of the French position. Reporting further, Dowling stated that the Chancellor seemed to be perturbed by the rigidity of the French position, particularly on the economic aspects, but that the meeting seemed to be useful. (Telegram 1638 from Bonn, 850.33/11-1053)

No. 655

762.022/11-2053: Telegram

The Chargé in France (Achilles) to the Department of State [1]

CONFIDENTIAL PARIS, November 20, 1953—9 p.m.

1992. Third meeting between Adenauer and Francois-Poncet re Saar seems to have gone somewhat better than first two. According to Seydoux, while talks still exploratory in character and cannot be termed negotiations, they have been sufficiently fruitful so that no further such conversation may be needed before Bidault and Adenauer meet.

According to Seydoux, although no concessions were made by either side during Adenauer–Poncet talks, sufficient clarity has been obtained on positions to give hope that agreement can be reached re political aspects of settlement (notably on whether settlement to be provisional or definitive and whether new parties can be admitted after referendum). On other hand, economic issues continue to make for great difficulty as Germans apparently still unwilling to accept principle of Franco-Saar Customs Union. Seydoux said that principle also has Benelux support and possibilities for French concessions very limited.

[1] Repeated to London, Bonn, and Strasbourg.

Council of Republic last night approved Franco-Saar conventions by 297 to 16 (Commies) after uneventful debate. Maurice Schumann spoke soothingly about French and Saar desire for European solution. Only noteworthy incident was that Communists, pressed to declare themselves on Saar autonomy, finally came out as favoring return to Germany.

ACHILLES

No. 656

762.022/11-2053: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

TOP SECRET WASHINGTON, November 20, 1953—7:27 p.m.

1592. Eyes only. For Ambassador Conant from the Secretary. Re Deptel 1510. [2] 1. I am writing you by air pouch giving my views with respect to Saar and EDC and I am enclosing a personal letter from me to Adenauer, which, unless you perceive objection, you should deliver to him. [3] In brief my letter to Adenauer sets forth our conviction that an early Saar settlement is essential; that our policy with respect to Europe is not based on France or Germany but on Franco-German unity and cooperation; and that EDC remains a most fundamental objective of US foreign policy.

2. I understand that Adenauer may contemplate sending Hallstein and Gerstenmaier to U.S. to discuss Saar and EDC. Should he approach you about such a trip please let me know at once. Although I believe my letter to you with enclosure to Adenauer indicates clearly U.S. view, there might be some advantage in my stating them directly to Hallstein and I would of course wish your recommendation on this before making a decision. FYI I would not be able to see Hallstein here during the period December 4–8 when I will be in Bermuda and I will be leaving for Paris NAC meeting evening December 11, departing Paris for Washington December 17. [4] If it were deemed desirable I could of course see him in Wash-

---

[1] Drafted by MacArthur and cleared with Secretary Dulles.

[2] Telegram 1510 reported that Secretary Dulles would communicate with Conant in the next several days regarding the need to obtain a definitive statement from Adenauer on the Saar and the EDC. (123 Conant, James B.)

[3] For Dulles' letters to Conant and Adenauer, see *infra* and Document 658.

[4] For documentation on the Bermuda Conference, see vol. v, Part 2, pp. 1710 ff. For documentation on the Twelfth Session of the North Atlantic Council, Dec. 14–16, see *ibid.*, Part 1, pp. 454 ff.

ington before or immediately after Bermuda or in Paris during NAC meeting.

DULLES

No. 657

762.022/11-2053

The Secretary of State to the United States High Commissioner for Germany (Conant), at Bonn [1]

TOP SECRET PERSONAL [WASHINGTON,] November 20, 1953.

DEAR JIM: I am writing with respect to the messages of November 13 and 19 [2] . . . .

This letter is to let you know of my continuing concern over indications that Chancellor Adenauer is more reconciled to a slower schedule for the settlement of the Saar issue, and hence the EDC, than he was prior to the German elections. As we have cabled you, we strongly believe that the greatest remaining obstacle to ratification and entry into effect of the EDC is the Saar. While we do not recognize that there is a legal link between the Saar and the EDC, as a practical matter they are linked. We feel it is essential for Adenauer to go to the extreme limit to reach agreement with the French, and we believe Germany is in a better position politically to make reasonable concessions than are the French. Ambassador Krekeler called on Bedell Smith Wednesday and during the course of their talk this subject was discussed. [3] Bedell stated our views forcefully, particularly along the lines that the whole future of Europe is at stake and that the Germans should give on the Saar until it hurts. I hope you will get this point across to the Chancellor and use every influence at your disposal in pressing the Germans toward a settlement.

I am even more deeply disturbed over your impression that the Chancellor is developing doubts about EDC ratification and is thinking over the possibility of some US-UK-German agreement as an alternative to the EDC. In this connection, I read with great interest your letter of November 13, 1953, and your telegram 1687 re-

---

[1] Drafted by MacArthur.

[2] For the November 13 message, see Document 231; the November 19 message has not been found.

[3] For a memorandum of Smith's conversation with Krekeler on Nov. 18, see Document 232.

porting the call you and General Gruenther made on the Chancellor. [4]

The policy of the United States with respect to Europe is, of course, based on the imperative necessity of a Franco-German unity as the only foundation for the development of any real strength in Europe. If France and Germany cannot be woven together in a European fabric of mutual understanding and common endeavor, not only will there be no real strength in Europe, but the resources which the United States in its own enlightened self-interest has been pouring into Europe will be wasted and will not serve the long-term purpose for which they were appropriated. Our policy with respect to Europe does not, therefore, involve a choice between France *or* Germany. It is based on France *and* Germany. Bedell also made this point entirely clear to Krekeler on Wednesday.

The Congress, in its original and subsequent legislation covering aid programs for Europe, has made clear that European unity—the hard core of which is a French-German understanding—is an essential objective. In the Richards amendment to the Fiscal Year 1954 foreign aid legislation, the Congress made the entry into effect of the EDC a statutory basis for military aid. Therefore, if the EDC fails to enter into effect early in the coming year, it is difficult to believe there will be adequate congressional support for the continuation of our program to build up the defensive strength of Europe. Insofar as the United States is concerned, we are convinced there can be no adequate security arrangements for the defense of Europe which are not based on full and effective Franco-German cooperation in the military and related fields, and we know of no alternative to EDC which would provide a basis for such cooperation and at the same time be acceptable to France and Germany. Certainly, the United States is not now considering alternatives, and continues to believe most firmly that the EDC, presumably to be followed by the EPC, provides the only practical basis for tying Germany in solidly with the West in a framework of effective Franco-German cooperation.

I have the impression that neither the French nor the Germans realize fully what is now at stake in terms of our own future policy toward Europe. Elements in the French Government probably believe we shall continue programs of military aid and support re-

---

[4] Telegram 1687 reported on General Gruenther's first official visit to Bonn during which the Germans had expressed their disappointment at the lack of progress on the Saar. They had indicated that they believed the French were backing away from Europeanization and were only concerned with French economic hegemony in the Saar. (740.5/11-1653)

gardless of whether the EDC is ratified early next year or not. This does not seem to me to correspond with the facts.

Similarly, elements in Germany may believe that we shall support a German national army in NATO if EDC does not come into effect. Undoubtedly, there would be support in this country and elsewhere for such a solution. For my part, however, I personally sympathize with your opposition to the constitution of a German national army. If any such alternative should be seriously considered at a later date, I would certainly want you to have an opportunity to present your views here.

I would hope, therefore, that in your talks with Adenauer you will, as you deem most appropriate, impress upon him that we have reached a decisive moment in history. The foundation of our present European policy is that real strength and stability and effective defense in Europe depend on the development of an organic unity which includes France and Germany. If the Chancellor harbors any idea that effective defense or real stability can be built on Germany alone, bypassing France, he is laboring under a disastrous illusion. We cannot, of course, force either of these countries to join with the other, but if they cannot do so we will have to reassess our own interests and policies in the light of those circumstances. In the self-interest of Germany, the Chancellor should fully understand our position and do everything he conceivably can to ensure early agreement on the Saar in order to remove the one remaining obstacle.

As I said above, I believe it essential that the Germans approach this problem with a maximum of understanding and conciliation insofar as the French are concerned. We have, of course, also been making clear to the French that we have now reached the most critical point in post-war history and that we expect them not to be unreasonable in their approach to the Saar problem. We will have the opportunity to impress this again on the French both at Bermuda and later in Paris at the North Atlantic Council meeting, which we will most certainly do. At the same time, we will count on you to get our views across to the Germans in the most effective manner possible.

It has occurred to me that it might be useful for me to send a personal message to the Chancellor based on some of the above thoughts. Accordingly, I am enclosing such a letter to him [5] which, if you perceive no objection, you might deliver to him, and use this occasion to set forth our position regarding Germany and Europe as I have outlined it.

Sincerely yours,

JOHN FOSTER DULLES

---

[5] No letter was attached to the source text. The text of this letter is printed *infra*.

No. 658

PPS files, lot 64 D 563, "Germany"

The Secretary of State to Chancellor Adenauer [1]

TOP SECRET PERSONAL [WASHINGTON,] November 20, 1953.

DEAR MR. CHANCELLOR: I am writing you this personal note at the suggestion of the President because of our very real concern over reports which have reached us from a number of sources indicating that certain elements within Germany are speculating on German participation in Western security arrangements by means other than the European Defense Community. Knowing as I do your own devotion and that of your Government to the principles of European unity, I am taking the liberty of writing you with complete frankness so that there may be no misunderstanding of our views on these questions.

The policy of the United States with respect to Europe is based on the imperative necessity of a Franco-German unity as the only solid foundation for the development of any real strength in Europe. If France and Germany cannot be woven together in a European fabric of mutual understanding and common endeavor, not only will there be no real strength in Europe, but the resources which the United States in its own enlightened self-interest has been pouring into Europe will be wasted and will not serve the long-term purpose for which they were appropriated. Our policy with respect to Europe does not, therefore, involve a choice between France or Germany. It is based on France and Germany. Insofar as the United States is concerned, we are convinced there can be no adequate security arrangements for the defense of Europe which are not based on full and effective Franco-German integration in the military and related fields, and we know of no alternative to the European Defense Community which would provide a basis for such cooperation.

In this connection, we strongly believe that a great remaining obstacle to ratification and entry into force of the European Defense Community is the Saar. It would be a tragedy for Germany, Europe, and indeed the Western world, if the solid basis for real European unification which has been laid by the European Defense

[1] Drafted by MacArthur.

Community Treaty should come to nought because of failure to reach agreement on the Saar. We know you have this very much in mind in your approach to the Saar problem. I recall your assurance to the President and me at the White House that the Saar matter would be solved. [2] I do hope that no effort will now be spared to reach early agreement.

We recognize that a Saar agreement acceptable to France raises real difficulties because of certain currents of German opinion. However, it is our earnest conviction that we have reached a decisive moment—a moment of historic opportunity which may not recur. If we seize this opportunity which is now well within our grasp, we will be able to move forward on the course we have all worked out together to infinitely greater unity, strength, and hence security and well-being for our peoples. If we let ourselves be diverted by obstacles which we know we have the strength to surmount, it will be an infinite tragedy for all the free world, but particularly for Europe.

I realize that reports and speculation in the press and elsewhere could easily lead to false impressions about the attitude of the United States with respect to Europe. Therefore, my purpose in writing you is to assure you of our continued firm support for the policy of European integration which you have long advocated so vigorously and successfully. On our part, we will continue to do our utmost, as we know you will do, to bring about the realization of our great common objective. The President sends his warm personal regards in this letter.

Sincerely yours,

JOHN FOSTER DULLES

---

[2] For documentation on Chancellor Adenauer's visit to the United States, Apr. 6–17, including a record of his conversation on the Saar at the White House on Apr. 9, see Documents 177 ff.

No. 659

740.5/11-2553: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State

SECRET NIACT BONN, November 25, 1953—7 p.m.

1780. Eyes only for Secretary from Conant. I delivered your letter dated November 20 [1] to Chancellor this afternoon at 4:30, ex-

---

[1] *Supra.*

plaining before he read it general nature of communication and underlining anxiety of my government as to situation and of critical hour in which we lived. I had delayed presenting letter until last moment before his departure for Hague in hopes Paris situation would be clarified. At this hour it is not and our conversation turned at once on meeting tomorrow at Hague. Chancellor expressed view that he was of two minds—he was uncertain whether to go or not and expressed his suspicion that Bidault had on purpose drunk to excess so as to postpone whole debate and thus avoid appearing at Hague but be able to appear at Bermuda. He pursued same line further which he has been using recently about France, saying there was little use of getting further on with discussions with a man who would not be in power later, and raising other defeatist objections. At this point I quoted Bruce to effect that an agreement, if it could be reached between Chancellor and Bidault, would be of greatest importance even if Bidault played no further role in French affairs, for if such an agreement were reached and outlines put down in writing, fact that such an agreement had been found between Chancellor and a French Foreign Minister would have great effect on any subsequent government. It would not be necessary to publish the agreement but only a public statement that one had been reached.

Chancellor replied that he could not do this without consulting his Cabinet and leaders of Bundestag. I replied I saw no reason why he could not make an announcement of such an agreement, which from his personal point of view was satisfactory without committing his Cabinet and Bundestag leaders, saying question of getting it adopted would come later. He did not dissent too much from this proposal.

Specifically I said that if he would agree to go to Hague and stay through Saturday, I would recommend to my government in Washington that they do all in their power to see to it that Bidault came to Hague and would stay long enough to have a thorough talk with Chancellor on Saar problems. I am now making this as an urgent recommendation. Chancellor seemed to warm up to this proposal and became more cooperative in spirit. Said he would notify Bidault through French High Commissioner that he would be at Hague and be at his disposal on Saturday, but privately assured me he would stay until Sunday or Monday, if necessary. He further spoke at end of our conversation of possibility of an agreement or at least outlining the area of disagreement after the Hague conference with Bidault. I believe these next few days are critical in a critical period and if Bidault and Chancellor can be kept together long enough at Hague we will have made one step forward toward

a solution of Saar problem, though a later step may involve necessity of United States/United Kingdom intervention.

As to your letter, Chancellor assured me he agreed completely with your statement as to urgency and of problem and gravity of present moment. He told me he had spoken to Cabinet in this vein only this morning and they agreed with him. He had proposed to do everything in his power to find a solution to Saar problem and to expedite French ratification of EDC.

It is interesting that he did not challenge your first paragraph. If he had done so, I was prepared to give newspaper clipping of this morning as evidence of discussion in Germany of alternative to EDC.

Chancellor did not discuss with me difficulty some of us suspect here, namely, Chancellor will require two-thirds majority amending constitution and in order to insure that two-thirds majority he may have listened at least to some of the more intransigent elements in Bundestag on this matter of Saar problem. However, I have great confidence in Chancellor as a practical politician and believe he can, with our backing, get almost anything adopted here he personally desires. It is necessary, however, that he be placed in position where he cannot throw blame on French for delays and failure to cooperate on Saar problem.

Hallstein will leave Hague and fly to New York. Chancellor would like very much to have him report to you direct on outcome of Hague talks. [2] I would recommend you see him with as little publicity as possible. I would recommend strongly against your seeing Gerstenmaier, chairman of Foreign Office committee, who will be in New York at UN at same time.

I have telegraphed Achilles and Bruce re Chancellor's plans to go to Hague and be available there for talks with Bidault.

CONANT

---

[2] Regarding Hallstein's conversation with Secretary Dulles on Dec. 1, see footnote 4, *infra*.

No. 660

762.022/11-2853: Telegram

The United States Representative to the European Coal and Steel Community (Bruce) to the Department of State [1]

SECRET PARIS, November 28, 1953—6 p.m.

Coled 105. Limit distribution. Subject is Saar. Re Hague Embtel 469 to Department of 28 November. [2] According to member of German delegation at Hague, [3] Germans are mildly encouraged at results of Adenauer–Bidault talk on Saar yesterday afternoon. For the first time since Bidault became Foreign Minister, the two leaders went over points at issue one-by-one and where they reached no agreement at least clarified positions as basis for future compromise. They will meet again in mid-December; meanwhile, Francois-Poncet will continue preparatory talks with Adenauer and Hallstein.

Following is summary of major developments in talks, based on Hallstein's notes. Our informant cautioned us that Bidault was vague, on some points seemed uninformed, and that reported agreements may not be firm.

1. Major development was agreement in general terms that settlement when reached should be approved by Saar population in a free, direct referendum in which parties themselves would not need to play role. Approval of settlement would be followed by free elections in Saar. Germans understood Bidault to agree that all parties would be admitted in such elections. If this agreement stands it represents significant concession from Chancellor's previous position and major step forward; it was chiefly on this question that Adenauer–Schuman negotiations in autumn 1952 broke down.

2. On a certain number of other points Germans believe agreement reached or close:

(a) Saar is to be recognized as German in culture and language;
(b) Saar to be autonomous European territory under European control. Who should exercise control not agreed, and nature of control not discussed in detail;
(c) Discussion on ownership and control of Saar coal mines was confused, but Germans received impression Bidault would admit German share in control of mines.

---

[1] Repeated to Bonn eyes only for Conant.

[2] Telegram 469 reported that the German Delegates had said that Adenauer had come to The Hague prepared to deal seriously with Bidault on the Saar, but that they were not optimistic about the chances of settlement. (740.00/11-2853)

[3] The Foreign Ministers of the Schuman Plan countries met at The Hague at the end of November 1953.

(d) Bidault reported to have agreed to desequestration of German-owned steel works in Saar, but timing not clear;
(e) It was agreed that Saarlanders should be "European citizens".

3. On economic and financial problems both sides stated positions without reaching agreement. Bidault stressed maintenance of monetary and customs union while Adenauer asked for creation new Saar currency. Chancellor asked for acceptance in principle of free trade between Saar and Germany; Bidault did not accept principle, but admitted concessions could be made on such trade. Although there was no agreement, Germans apparently feel useful start has been made on this problem.

4. Two matters of principle were raised on which stated French and German positions irreconcilable:

(a) Adenauer brought up again idea of adding strip of French territory to area to be Europeanized. Although Bidault undertook to study the idea, past reactions indicate impossible Bidault or French Government to accept this suggestion.
(b) Bidault suggested supervisory authority for Saar should emanate from committee of Ministers of Council of Europe. Chancellor insisted that it be organ of European community. Germans not prepared to yield on this point. They consider Council of Europe incapable of exercising effective control; insist Saar could not develop into real "European area" under Council of Europe, and remain unwilling that "Europeanization" be simply new name for *status quo*.

Above information received in strictest confidence. German informant particularly stressed that conversation not be divulged to Quai d'Orsay. [4]

BRUCE

[4] On Dec. 1 Hallstein and Gerstenmaier met with Secretary Dulles in Washington to discuss questions relating to Germany. Hallstein commented briefly on the Adenauer–Bidault conversation, saying that on the whole the Chancellor was somewhat encouraged by the talks. A copy of the memorandum of Hallstein's conversation with Dulles is in PPS files, lot 64 D 563, "Germany".

No. 661

762.022/12-153: Telegram

The Chargé in France (Achilles) to the Department of State [1]

SECRET PARIS, December 1, 1953—7 p.m.

2126. Embtel 2107. [2] Seydoux has given us following more detailed summary of Bidault–Adenauer talk at The Hague re Saar, as reported by Francois-Poncet. Department will note that this account differs considerably from Hallstein's version reported in Coled 105. [3]

Hallstein began by enumerating principal points of disagreement, among which figured neither principle of economic and administrative autonomy of Saar, nor question of referendum, nor free elections for new *Landtag,* nor question of making agreement subject to eventual peace treaty. Points on which Hallstein dwelt were cession of strips of territory from Saar to Germany and from France to Saar, and economic union.

On cession of territory, which had already been categorically ruled out by Poncet in bilateral talks at Bonn, Hallstein stressed symbolic importance of such step as earnest of intention to build united Europe. Re cession Saar strip to Germany, he had in mind villages near Trier which had been detached from Rhineland-Palatinate in 1945. Re French strip, he said size would not be important, nor even that it be inhabited.

Re economic relationship of Saar with neighboring countries, Hallstein said problem was psychological rather [than] economic. As matter of presentation, Germans would propose that instead of speaking of maintenance Franco-Saar economic union until common European market exists, both sides should stress that eventual creation of such common market is their aim and that meanwhile "transitional regime" would be necessary to protect Saar industry. Hallstein assured Bidault that Germany not seeking opening in French Customs system through which torrent of German goods might enter France; but rather a formula that does not stress discriminatory aspect of present situation.

In general, Hallstein concluded, problem for German side is to avoid claims in Bundestag that Europeanization is merely camouflage for consecration of *status quo.*

---

[1] Repeated to London, Bonn, and Strasbourg.

[2] Telegram 2107 reported that the atmosphere at the Adenauer–Bidault talk on the Saar had been good, but that final decisions had been left for another meeting on Dec. 11. The Embassy in Paris added that it was seeking elaboration on the details. (762.022/11-3053)

[3] *Supra.*

Bidault's first reply was that he had to express his greatest "reserve" regarding idea of any cession of territory. Adenauer, apparently thinking this was guarded form of acceptance rather than polite form of rejection, thereupon asked Bidault to indicate surface area that he had in mind for eventual cession. To this, Bidault did not reply.

Discussion then shifted to subject European Commissioner for Saar, whom French would like to see appointed by Council of Europe as suggested in Van der Goes' report. [4] Adenauer opposed this and suggested CSC, but Bidault pointed out CSC is economic rather than political body. Both sides agreed this question does not constitute insuperable obstacle to overall agreement. Meeting closed with brief discussion Moselle Canal problem.

For comments, see immediately following message. [5]

ACHILLES

[4] See Document 640.

[5] Telegram 2127, *infra*.

No. 662

762.022/12-153: Telegram

The Chargé in France (Achilles) to the Department of State [1]

SECRET PARIS, December 1, 1953—7 p.m.

2127. Reference Embtel 2126. [2] Comments re Bidault–Adenauer talk on Saar.

1. Francois-Poncet comments, as read to us by Seydoux, are that Adenauer had said nothing that he had not said previously in bilateral conversations in Bonn. Fact that he brought up question of territorial cessions again after Poncet had clearly indicated this would be unacceptable, seems to show Adenauer did not believe Poncet was speaking for his government. Absence of any concrete proposals for economic arrangements is particularly disappointing. Indication that Germans prepared to accept principle of economic union could be encouraging, but neither on this question nor on referendum and elections and other political matters has there been more than very general discussion so far. On balance it appears Germans in no hurry and, without desiring to break off negotiations, prefer to await further EDC developments in France.

[1] Repeated to London, Bonn, and Strasbourg.

[2] *Supra*.

2. Seydoux interspersed his own comments when he gave us Poncet's account of The Hague conversations. They were that when Bidault voiced his "greatest reserve" he really meant to express "strongest opposition" which undoubtedly extends to entire government; that while it may be true economic union is matter of presentation rather than substance, it could easily become matter of substance depending on presentation and that in absence of concrete proposals the German position, therefore, means little; and that even if it were true that Germans may have brought up territorial question only in order to withdraw it at later time, they presumably would expect French concession in return and France's principal concession has already been made by envisaging European status for Saar.

3. Sauvagnargues found Hague conversations fairly encouraging. He did not take renewed raising of territorial question too seriously because he felt Adenauer must have known that idea would cause uproar in French Parliament so that new German push in this direction simply may mean France is not yet prepared to come to terms. At such time when they are prepared to do so, however, their statement that economic union is matter of presentation could be useful point of departure for negotiations. Sauvagnargues felt that German territorial claims could be easily answered by juridical argument that since agreement is to be subject to peace treaty, it can be presented (in Bundestag) as provisional in nature with no prejudice to eventual settlement of German (and consequently also Saar) boundaries.

4. Our own impression is that talks could represent fair amount of progress in German thinking on Franco-Saar economic union. While it is unfortunate that Adenauer has still not come forward with concrete economic proposals, implication of his position seems to be that economic union represents the "transitional arrangement" whose necessity he recognizes and that it would be valid until common market is created. We are inclined to agree with Sauvagnargues' view that Adenauer must know perfectly well cession of French territory is quite unthinkable at present, so that his persistence regarding that point may merely indicate that he believes final stage of negotiations has not yet arrived.

ACHILLES

No. 663

762.022/1–1354: Circular airgram

The Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, January 13, 1954.

CA–3633. Now that Laniel government "reinvested" we hope Bidault though undoubtedly preoccupied with Berlin Conference might as soon as possible seek further progress towards agreement with Adenauer on Saar. [2] Understand from Paris despatch 1670 [3] Bidault has not intended move before end of January due Berlin Conference and expected government crisis which, however, has not materialized so that Bidault might be persuaded take action once possibilities Berlin Conference clarified. Unlikely that final agreement sufficient EDC ratification purposes can be reached, and presumably should not be announced, until immediately prior Assembly EDC debate, but much further negotiation may well be necessary, particularly on economic aspects, before full meeting minds achieved with substance agreement cleared with respective cabinets, and early resumption serious bilateral conversations therefore desirable to prevent post-Berlin delays on EDC due Saar problem.

Although Adenauer understandably reluctant make substantial concessions until French ratification prospects clear, agreement by Bidault and Adenauer to make implementation of settlement conditional upon ratification EDC (penultimate paragraph reference despatch) seems possible and would go far to make earlier serious negotiations possible, perhaps during possible lull Berlin conference by Francois-Poncet if not Bidault, or immediately after. If Bidault reaction favorable formula along foregoing lines, Adenauer would be urged in return embark upon serious negotiations at first opportunity.

Presence of Secretary and Eden on continent with Bidault and in contact with Adenauer would appear offer exceptional possibilities

---

[1] Cleared with BNA, C, WE, and GER and initialed for the Secretary of State by Bonbright. Also sent to Bonn and London and repeated to Strasbourg.

[2] The last Adenauer–Bidault meeting on the Saar had been held on Dec. 11 at Paris. According to the Embassy in Paris no progress had been made and Adenauer had seemed reluctant to discuss the question with what he regarded as a caretaker government. (Telegram 2291 from Paris, Dec. 14, 762.022/12–1453)

[3] Not printed. It reported the Embassy's views of the prospects for a Franco-German agreement on the Saar and concluded that the United States and the United Kingdom would be well advised to refrain from intervening in the Saar question at least until after the Berlin Conference. (762.022/12–3053)

for accomplishments on Saar problem. Addressees' comments desired (London after consultation with Foreign Office).

DULLES

No. 664

762.022/1-1354: Circular airgram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, January 13, 1954.

CA-3634. Embassy should discuss with Foreign Office Dept. Inst. CA-3633 [2] and timing US-UK intervention and substance possible concessions to be urged upon negotiating partners at appropriate time.

Our tentative views re form and hypothetical outline agreement parallel those set forth Paris despatch 1670 [3] with certain modifications.

If Germans willing agree substantial maintenance Economic Union, as transitional regime, French should make concessions on customs and trade matters to extent that Germans can derive some immediate advantage and be assured progressively greater and eventually equal access Saar markets and resources. Since desequestration steel mills and return to owners reportedly important to FDP, which significant for any Saar settlement as Adenauer's No. 2 coalition partner, we believe French should agree to desequestration under formulae that would allow participation former owners. Further, Saar should be reopened to some degree German capital investment. Question ownership Saar coal mines can possibly be left in abeyance, but believe management mines might be reorganized to include German participation.

We hope Adenauer not serious in insisting French cede some territory to Saar and trust this purely bargaining point. However, it believed French should, while refusing such concession, offer return those small areas unilaterally detached from what is now Federal Republic and annexed to Saar by French Military Governor. These are only minor value to Saar, being primarily agricultural in nature, and can hardly be regarded as belonging to Saar.

---

[1] Cleared with WE, GER, and BNA and initialed for the Secretary of State by Bonbright. Repeated to Paris, Bonn, and Strasbourg.

[2] *Supra.*

[3] Despatch 1670 discussed the view of the Embassy in Paris regarding the prospect for a Franco-German agreement on the Saar. (762.022/12-3053)

Re permanency solution, we hope French and Germans can agree on emphasizing permanency though settlement naturally subject (in accordance Article 7, para 2 Bonn Convention [4]) to confirmation by peace treaty, both governments agreeing support settlement at that time. US and UK could do likewise. While emphasis should thus be on permanence, provision perhaps possible for periodic review and possible mutually agreed adjustment in light experience and progress European integration.

Re timing intervention, present thinking is US–UK should not comment further on substance agreement or concessions until Bidault and Adenauer have had "cards on table" meeting or we determine such intervention required to accomplish such a meeting. [5]

DULLES

[4] See Document 51.

[5] On Jan. 22 the Embassy in London replied that the Foreign Office was "chary of timing and substance of U.S.-U.K. intervention with Bidault and Adenauer on Saar envisaged in Department's CA 3633 and 3634," and doubted whether Bidault would have any incentive to start serious negotiations until the end of the Berlin Conference. (Telegram 3143 from London, 762.022/1-2254)

No. 665

762.022/1-2654: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET BONN, January 26, 1954—8 p.m.

2376. Re CA 3633 and CA 3634 January 13, 1954. [2] We believe Chancellor will be ready discuss Saar soon as possibilities Berlin conference clarified, as suggested CA 3633. He has voiced reservations re commitments to French Government which might fall before negotiations concluded, and Bonn expects Laniel fall following conference. However, Chancellor realizes importance of Saar progress for French EDC ratification and can resume negotiations more easily since Berlin conference has temporarily dispelled nationalist feeling on Saar which followed Federal Republic elections.

We think Adenauer must make implementation of any agreement contingent on French ratification EDC, which is only price acceptable to public opinion for political severance of Saar. Public increasing skeptical French willingness to proceed with EDC or European integration.

[1] Repeated to Berlin, Paris, and London.

[2] Document 663 and *supra*

Europeanization Saar with economic agreement on lines CA 3634 might be accepted by Bundestag after stiff fight as giving chance for gradual access to Saar economy, if assured EDC will become effective. Some economic concessions necessary give settlement European flavor and avoid charges of complete sellout German interests.

Van Der Goes suggestion that Saar coal mines be transferred to Saar Government has not so far been subjected to heavy German criticism and perhaps is preferable to German participation in mine management and meets objection this score in Paris telegram 2693 to Department, 660 London, 615 Bonn, January 21. [3] Several Bundestag deputies have seemed willing compensate French from German EPU surplus for foreign exchange loss arising from economic settlement roughly along lines Department's airgram.

We doubt Germans really expect French territorial cessions, return of small strips of Pfalz would enable Adenauer claim prestige victory and make settlement more palatable. We must point out that Saar solution which cost Chancellor and integration policy too much in popularity would be real disservice to Franco-German relations.

We have come to believe that confidential indication to France and German Governments of US-UK support for Europeanization of Saar, balanced by some economic advances for Germans, will be necessary for any rapid progress toward settlement in principle. However, Brussels recommendations on economic section Van Der Goes report, [4] resembles Department's outline. If adopted by Council of Europe US-UK might support this proposal and soften charge of US-UK interference. Might move if Council's general committee takes favorable position early February.

We note continued UK reluctance to interfere officially (London's telegram 3143 to Department, Berlin 60, Paris 468, Bonn 203, January 22 [5]). While recognizing value US-UK cooperation generally, we must point out that informal indication clear US position on Saar would be almost as effective influencing Germans as formal US-UK representation. At minimum, we think US must again emphasize to Chancellor during or following Berlin conference that although we realize agreement on Saar Europeanization

---

[3] Telegram 2693 reported general agreement with the substance of CA-3633 (Document 663), but felt that any suggestion of restoring territory to Germany would greatly upset the French. The Embassy in Paris continued that the desequestration of the steel mills and German investment in the Saar were possible, but the French would view German participation in management of the mines as political penetration of the Saar. (762.022/1-2154)

[4] See Document 640.

[5] See footnote 5, *supra*.

must be conditional on entry EDC into effect last chance for EDC ratification now at hand and US expects Germans will get down to business in Saar negotiations.

CONANT

No. 666

Editorial Note

On February 17 and 18 Secretary of State Dulles discussed the Saar with Bidault at Berlin and with Adenauer at Wahn Airport. For records of these conversations, see the memorandum by the Secretary of State, Document 497, and the memorandum of conversation by MacArthur, Document 527.

No. 667

762.022/3-954: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

SECRET PRIORITY PARIS, March 9, 1954—6 p.m.

3277. Maurice Schumann this afternoon handed me the text of the French proposal on the Saar, which is mentioned in the last paragraph of the Adenauer–Bidault communiqué, [2] and which he stated is to be considered equally with the Van Der Goes solution as a basis for future negotiations. (Text follows in succeeding telegrams. [3])

He said French Government had decided that time had arrived to reach a solution, that diplomatic maneuvering was no longer in order and that therefore they had drawn up this proposal putting all their cards on table, and unilaterally granting a number of major concessions. Schumann said that while this proposal was naturally open to negotiation it would be impossible to make any

---

[1] Repeated to Bonn and London.

[2] On Mar. 1 Adenauer had asked Bidault to meet him for discussion of the Saar before he departed for Greece and Turkey on Mar. 15. (Coled 165 from Paris, Mar. 2, 762.022/3-254) The following day Conant reported that a meeting had been arranged for Mar. 9 with a preliminary meeting of Hallstein, Blankenhorn, and Schumann scheduled for the weekend preceding Mar. 9. (Telegram 2726 from Bonn, Mar. 3, 762.022/3-354)

[3] Telegram 3278, Mar. 9, transmitted French and English texts of a 12-point draft protocol of a Franco-German agreement on the Saar. (762.022/3-954) Another copy of the draft protocol was transmitted to the Department of State on Mar. 10 by de Juniac during a conversation with Merchant in which the Adenauer–Bidault talk was further discussed. (762.022/3-1054)

large changes of substance in it as he and Bidault felt that this proposal represented maximum that could be approved in French Parliament.

He particularly emphasized two major concessions. One states that final agreement on Saar will be drawn up by a Franco-German conference which will be aided by experts designated by Saar Government, but in which Saar Government will not have an equal voice.

The second concession is French agreement to allow complete freedom during referendum in the Saar. In other words, all parties, including former German parties will be allowed to be fully active during referendum, as well as during election which will follow referendum.

Schumann said that main concession that they were demanding of Germany was that Saar be Europeanized immediately instead of waiting for creation of European Political Community at some uncertain date in future.

During Adenauer's and Hallstein's absence negotiations will continue with Blankenhorn either in Paris or Bonn.

Schumann said he had also given a copy of this proposal to British Ambassador.

DILLON

No. 668

762.022/3-1054: Telegram

The United States Representative to the European Coal and Steel Community (Bruce) to the Department of State [1]

SECRET

PARIS, March 10, 1954—4 p.m.

Coled 175. According to Federal Republic officials, Saar conversations over weekend were on following lines:

1. Adenauer and Bidault did not discuss in any detail terms of Saar settlement, particularly economic aspect of question. In prior conversation between Maurice Schumann and Hallstein, Hallstein outlined orally German difficulties with Council of Europe report [2] along lines of immediately following cable. [3] Schumann commented adversely on several points and disclosed very little of French position, saying he would probably send Hallstein a proposal in ad-

---

[1] Repeated to London and Bonn.

[2] Regarding van der Goes van Naters' report, see Document 640.

[3] Coled 176 from Paris, Mar. 10 (762.022/3-1054), transmitted the text of the six-point German statement.

vance of Adenauer-Bidault conversation. On Monday at 5 p.m. Germans received proposal forwarded in Embtel 3278. [4]

2. Adenauer and Bidault apparently did not engage in any real negotiation. Only agreement of substance was acceptance general principles Council of Europe report as basis for discussion as set out in communiqué. Adenauer did not agree that French paper would be basis for discussion, but, on Bidault's insistence, he did not object to Bidault's commenting publicly that French Government wished French proposal to be discussed equally.

3. Present status of talks seems to be that French claim they cannot accept principles of Council of Europe as terms of settlement unless it is changed in accordance with French proposal and Germans insist Adenauer, by accepting broad lines of Council of Europe report, already may have made too many concessions to obtain approval in Germany. Germans say Blankenhorn and Francois-Poncet will meet early next week in Bonn to continue discussions.

4. Bidault took no firm commitment to Adenauer on date EDC debate. He did however talk about holding it in "early April." On questions direct election of European common assembly (Coled 173 [5]) Bidault told Chancellor that Pinay was reluctant to accept Mollet's proposal. [6] Bidault added he hoped to persuade Mollet to be satisfied with promise of action soon after ratification.

BRUCE

[4] See footnote 3, *supra*.

[5] Coled 173 reported a discussion on the ratification prospects of the EDC in France. (740.5/3-854)

[6] Antoine Pinay, Independent Republican and former French Minister for Economic Affairs, and Guy Mollet, French Socialist and President of the Consultative Assembly of the Council of Europe.

No. 669

762.022/3-1154 Telegram

The United States Representative to the European Coal and Steel Community (Bruce) to the Department of State [1]

SECRET NIACT PARIS, March 11, 1954—2 p.m.

Coled 179. Following is analysis main deviations of present negotiating positions of French and Germans from Council of Europe recommendations for Saar settlement:

[1] Transmitted in two sections and repeated to London and Bonn.

1. French proposal (Embtel 3278 [2]) by giving Council of Ministers of Council of Europe permanent responsibility for defense and foreign affairs of Saar, takes Saar settlement out of framework movement toward six-nation European community and thus eliminates very basis of "European solution". Permanent solution recommended by Council of Europe report placed Saar within this framework by placing it under EPC institutions when created.

Furthermore, by thus eliminating subordination of Saar to supranational six-nation institutions, French position makes it very difficult for Adenauer to make economic and institutional concessions which Council of Europe report requires of him. Indeed French position makes it virtually impossible for Adenauer to argue that intention is really to make Saar into a true European territory of which Germany will have equal access, and thus to offset criticism that solution in fact permits France maintain special position in Saar for indefinite period.

2. Hallstein's statement (Coled 176 [3]) does not refer to temporary institutional arrangements for Saar suggested by Council of Europe report, but Germans tell us that in their view even during transitional period prior creation EPC, Saar Commissioner should be responsible to institutions of six-nation community and not to Council of Ministers of Council of Europe. Not clear whether Germans would agree to a modification of Council of Europe report to provide that Saar territory would become European immediately, provided French would accept a modification putting institutional arrangements within six-nation framework from first day.

3. Council of Europe report provides Saar should be autonomous but not have status of separate state. It therefore proposes that Saar be represented equitably in European common assembly but have only non-voting membership in Council of Ministers of CSC, EDC, EPC and Council of Europe. Adenauer has always insisted it would be undesirable as well as politically impossible to permit Saar same status as member states. We understood French had accepted this view. New French proposal, however, gives Saar full status of independence by giving it voting membership in Council of Ministers.

4. On currency question Council of Europe report provides French franc to continue in Saar until European currency is created; French proposal makes no mention of European currency. Statement of intent to work out European arrangements is important to Adenauer even if they are never concluded. French should be able to accept reference to eventual European currency arrange-

---

[2] See footnote 3, Document 667.

[3] See footnote 3, *supra*.

ments as suggested by Council of Europe report. This would be consistent with Mayer's statements in Washington in 1953 and also with provision Franco-Saar conventions that they are intended to pave way for European status. On the other hand, German suggestion that a special currency be created for Saar is politically impossible for French to accept as well as not feasible technically.

5. Council of Europe report provides for maintenance Franco-Saar common market and progressive establishment of "corresponding relations" between Saar and Germany. Again it would appear Adenauer needs a clear statement that eventual fulfillment of equal access is objective of Saar settlement. French proposal emphasizes maintenance of "*status quo*", and avoids any reference to establishment "corresponding relations" with Germany. Hallstein's statement, on the other hand, emphasizes the attainment of equal access and makes only passing reference to need for "progressive" application.

6. Adenauer insists Saar Agreement cannot contain any reference to tripartite guarantee to support statute during peace treaty negotiations or to FedRep acquiescence to this guarantee being made. Council of Europe report and French proposal both mention such guarantee. It may be possible to avoid reference to this point in treaty and still give French the substance of assurance they seek in manner suggested in paragraph 3 Coled 168. [4] In conference in 1953 Mayer had previously indicated that he believed it would be possible to accommodate Adenauer on this point as did Robert Schuman in his letter to Adenauer of December 23, 1952 (Paris Embtel 3672, December 26, 1952 [5]).

7. Council of Europe report provides that following approval of statute in Saar referendum, no restrictions will be placed on right to form parties, associations or newspapers. Embassy understands from Maurice Schumann (Embtel 3277 [6]) French interpret "free" referendum as meaning pro-German parties would be admitted prior to referendum. If so, this is important French concession; but in accepting Council of Europe proposals Adenauer has capitulated completely from his previous stand that new elections with party freedom must be held in Saar before European statute submitted for approval.

French paper raises another problem by subjecting party freedom to "it being understood that (such parties, et cetera) could not

---

[4] Coled 168 proposed that the United States and the United Kingdom could give France a separate guarantee of any Saar settlement rather than guaranteeing it to both the Federal Republic and France. (762.022/3–454)

[5] Telegram 3672 transmitted the translation of a letter from Schuman to Adenauer dated Dec. 21, 1952. (762.022/12–2652)

[6] Document 667.

call into question the statute adopted". This restriction is similar to one in present Saar constitution on which controversial bans on pro-German parties have been based. It is, however, possible that Schumann interprets this qualification as meaning only that statute once adopted cannot be modified unilaterally by Saar regardless of outcome any particular election.

8. Council of Europe report provides that control of Saar coal mines shall pass to Saar. French proposal provides for maintenance present arrangements whereby French share control of mines equally with Saar. German position is that control should be shared among Saar, France and Germany on 60–20–20 basis. To prevent this issue from becoming obstacle to pre-ratification settlement, however, Hallstein's statement proposes problem be postponed to post-ratification conference.

9. For similar reasons, Council of Europe report proposes question of lifting sequestration on former German steel mills and financial institutions be postponed until after EDC ratification; Hallstein's statement agrees. French paper makes no mention of this question, which is, however, serious political issue for certain German interests.

Comment: Above represent only major points of difference on Saar between French and Germans. It is clear that neither side has gone far enough to accommodate itself to the minimum position acceptable to the other. Situation seems to demand a compromise very close to present principles of Council of Europe report. We therefore propose continue to insist for present in all conversations with officials of either side that they are being highly unreasonable in their deviations from Council of Europe report and to avoid going into detail of possible solutions. Obviously final solution will differ in some respects from Council of Europe report, but until real as distinguished from trading positions become clearer I believe this is essential approach. With negotiating positions of French and Germans rather clearly stated for first time, I suggest we should now coordinate views with those of UK. Aldrich may wish to determine, in particular, whether UK is seeking to influence solution so as to provide for direct UK participation through Council of Ministers of Council of Europe.

Embassy concurs.

BRUCE

No. 670

762.022/3–1354: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

TOP SECRET PARIS, March 13, 1954—10 p.m.

3347. Limit distribution. At meeting this afternoon with Bidault, Schumann, and Alphand, I took occasion to raise question of Saar. I said that we were particularly concerned over one aspect of new French paper [2] on Saar that we felt might constitute real breaking point with Germans. This was the giving of a vote to the Saar in the Council of Ministers as described in paragraph "first" of Bonn's 2822 to Department. [3] I further said that while there were naturally many other points that would require serious negotiation and compromise between Bonn and Paris, this one point could cause failure of whole negotiation. Bidault then, to Maurice Schumann's obvious surprise, said that this point was not serious and we should not worry that France would cause a break on this issue.

Given this willingness of French to back down on this point and willingness of French as indicated in Embassy telegram 3319 [4] to compromise economic question on basis of a reasonable upset figure for German-Saar trade it would appear that an eventual Saar solution is now coming into view.

Request Conant take greatest care to guard subject matter this telegram. If knowledge this French attitude should reach Germans my position with Bidault would be hopelessly compromised.

DILLON

---

[1] Repeated to Bonn and London eyes only for the Ambassadors.

[2] Regarding this French paper, see footnote 3, Document 667.

[3] Telegram 2822 reported on a conversation with Blankenhorn on Mar. 11 during which he had stated that the new French proposal contained three demands that were completely unacceptable to the Federal Republic: (1) that the Saar should have full voting rights in European organs, (2) the maintenance of Franco-Saar economic unity, and (3) Federal Republic agreement to the U.S.-U.K. guarantee of the Saar settlement. (762.022/3–1254)

[4] Not printed. (740.5/3–1254)

No. 671

762.022/3-1754: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, March 17, 1954—11:11 a.m.

4771. Re series recent cables March 9 Saar meeting. In view key importance which Saar settlement now assumes in connection French ratification EDC and fact that agreed statement of principles must be reached in next Bidault–Adenauer meeting, believe time has come for US–UK to consider urgently what we can do to facilitate and ensure agreement.

London Embassy should therefore approach Foreign Office to outline our views as given below with view to working out promptly US–UK joint views on what appear to be remaining major differences between French and Germans and obtain agreement that our joint views be informally given to French and Germans in appropriate manner at time to be agreed. We believe such procedure essential to minimize risk next meeting may fail to reach settlement.

1. We consider both sides should accept Van Naters' plan except where there are good reasons for specific variations.

2. Obviously some compromise essential between present French position that Saar be placed permanently under Council of Europe and German view that settlement can only be implemented when EPC created. We favor Van Naters' recommendation that Council of Europe act pending creating EPC. French do not appear to have justified their solution, which would place Saar permanently under Council of Europe which we consider incapable of wielding effective executive authority. We also inclined agree with views expressed by Van Naters and Bruce that since developing six nation community is real kernel of European integration, its organs preferable from political and psychological viewpoint to supervise Saar. At same time we agree CSC not fully qualified and settlement cannot await creation EPC. We therefore believe both French and Germans should be persuaded accept Van Naters' solution.

3. We are disturbed by latest French suggestion that Saar be given attributes sovereign state through voting membership various European bodies. This clearly inconsistent with basis on which Franco-German negotiations have been conducted since summer 1952. Such solution seems most unlikely secure Bundestag approval. Here again we believe Van Naters' plan which gives Saar con-

[1] Drafted by Morris and Blumberg of GER and Fisher of WE and cleared with Bonbright, MacArthur, Murphy, Merchant, Lyon, Tyler, RA, and L. Repeated to Bonn and Paris for Bruce and Dillon.

sultative but not voting status provides sound basis for agreement, particularly since French have failed justify departure therefrom. Therefore hope present French proposal only bargaining position which can be relinquished.

4. Re Saar currency, we agree Van Naters' recommendation (French currency until European currency created) which we believe acceptable to French, and hope Germans will accept as well.

5. As in 1952, question of economic concessions to Germany still apparently one creating greatest difficulties. Here again we believe Van Naters' plan represents desirable compromise. Department has always recognized necessity for Adenauer's obtaining immediate practical benefits and Bidault's concept lump sum amount for German-Saar free trade—when spelled out—should take care of this. In addition, we believe principle should be enunciated of progressive German economic equality in Saar. Believe that in practical application of agreement, difficulty comes in statement of principles as each side desires present opposite impression to parliaments. Hence Van Naters' wording (paragraph 12) desirable as compromise.

6. We should like to go as far as possible in satisfying French desire for US–UK assurances of support for Saar settlement both at German peace conference and pending a peace treaty. As it is impossible for us to give guarantee without a formal treaty, we trust and have reason to believe from talks with French here [2] that statement along lines indicated below would serve purpose. Statement would be either unilateral or bilateral with UK after conclusion Franco-German agreement.

"The Governments of US and UK have noted with great satisfaction that the Foreign Minister of French Republic and Chancellor of Federal Republic of Germany have reached an agreement as to a European status for the Saar. The Governments of the US and UK welcome this agreement pending the conclusion of a peace treaty or of a settlement in lieu thereof. On the assumption that the EDC as a step in the development of the European community is concluded, the Governments of the US and UK will undertake furthermore to propose and support the acceptance of this solution as final, both at the negotiations which precede such Treaty or settlement and in the implementation thereof. The Governments of the US and UK have an abiding interest in the effectiveness of this settlement of the status of the Saar. Accordingly, if this status should be threatened, the two Governments will consider it of such concern as to require consultation as to the proper measures to be taken."

---

[2] On Mar. 13 Daridan had discussed this question with Bonbright, stating that he was under instructions to seek U.S. agreement to the granting of a guarantee on the Saar. A memorandum of this conversation is in file 762.022/3–1354.

Such statement as foregoing would require congressional consultation and is set forth subject to results thereof.

As word "guarantee" contained in Van Naters' proposal and French draft of Franco-German statement of principles, it should be made clear that US concept of its possible commitment on this point is limited to statement such as foregoing and we should leave it to French and Germans to draft and follow through on their bilateral statement accordingly, preferably by omission text their bilateral statement any reference to US–UK commitment which would be announced separately and consecutively.

7. Re German support for Saar settlement at peace treaty, believe best solution might be that suggested paragraph 3 B Coled 168 (repeated by Department to Bonn 2487, London 4538) [3] to effect that while all-German government cannot be committed in advance, German people are committed to West and will therefore continue to support European integration in event of unification. We all agree Federal Republic cannot legally bind an all-German government at peace treaty and difficult to see how French can expect more.

8. While we share French desire to make Saar settlement as permanent as possible, we do not believe that there should be any restrictions on formation and activities of political parties so long as these activities are conducted peacefully and democratically. Therefore cannot support language used latest French proposal that parties "could not question the validity of the adopted statute." Therefore believe Van Naters' proposal which abolishes licensing of parties should be accepted by both sides. If French maintain this unacceptable, statement could omit any reference this point or provisions along lines language used last sentence paragraph 7 Coled 179 (repeated London 748, Bonn 669) [4] could be included to effect once statute adopted cannot be modified unilaterally by Saar regardless of outcome any particular election.

9(a). We support Van Naters' proposal that mine ownership be given to Saar and question of desequestration industrial property be postponed. (b) If former presents difficulty, it might also be postponed.

10. We note latest German proposal conditions settlement on EDC ratification, whereas neither Van Naters' nor French proposal contains mention this subject nor reference cables. If Adenauer insists on this condition, we would support him as we believe our statement of support should contain same condition.

---

[3] See footnote 4, Document 669.

[4] Document 669.

Foregoing views should presumably not be given *in toto* to both French and Germans. Paragraphs 3, 8, 9(b), 10 basically require French concessions from position advanced March 9 and hence should not be disclosed to Germans. Paragraph 4 for same reasons should not be disclosed to French. Believe other points should be made to both except text of US statement of support should not be disclosed to French or Germans until agreed US–UK statement has been subject of congressional consultation.

UK and your views on above and any other suggestions re how we might ensure success of next obviously critical Adenauer–Bidault meeting desired urgently. [5]

DULLES

[5] On Mar. 18 the Embassy in London reported the complete approval of Hancock, the head of the Central Department of the Foreign Office, with the general position outlined in this telegram and stated that once agreement was reached on the text of the joint statement, the British would be prepared to intervene. (Telegram 4010 from London, 762.022/3–1854)

No. 672

762.022/3–1754: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET PRIORITY BONN, March 17, 1954—7 p.m.

2883. Blankenhorn informed us today that his discussions on Saar with Francois-Poncet yesterday took an unfavorable and discouraging turn. His previous talk March 12 which had largely dealt with economic matters had been encouraging. Poncet had seemed to accept German thesis that Germany should receive step-by-step access to common Saar market. On strength of this talk, Blankenhorn and his colleagues had prepared for yesterday's meeting a German draft setting out Federal Republic ideas of Saar agreement.

Upon meeting Poncet yesterday and presenting German draft, [2] he was told by Poncet that latter was unable to talk on basis of German draft and must return to Bidault draft handed Adenauer on March 9. [3] Blankenhorn stated that it was perfectly clear that

[1] Repeated to Paris and London.

[2] A copy of this 23-paragraph draft together with an amended proposal dated Mar. 16 was transmitted in telegram 3584 from Paris, Mar. 29, in both the French and English texts. (762.022/3–2954)

[3] Regarding the Mar. 9 meeting and Bidault's draft, see telegram 3277, Document 667.

Poncet had received new instructions because he was obviously discouraged and embarrassed and left most of discussion to Berard. Blankenhorn said he was satisfied that Maurice Schumann had been sent to Bonn on Monday (following Paris receipt of Poncet's report of March 12 discussions) for express purpose of giving Poncet new Saar instructions and, incidentally, something like a reprimand for departing from Bidault draft.

Poncet and Berard together took line that it was impossible for France to give up economic privileges it now enjoys in Saar because they were necessary if France was to maintain anything like a position of economic parity with Germany. Blankenhorn said he was not able to make any progress in discussion although eventually they did get around to giving over German draft. Big obstacle was matter of economic concessions. There were other points but Blankenhorn thought them minor in relation to the economic and also negotiable.

Yesterday's discussions were so unproductive that Blankenhorn felt necessity of sending Thierfelder [4] to Paris at once to inform Bruce. He expressed view that it might not be possible to make much progress until return of Chancellor, who incidentally is stopping over in Rome to meet Scelba [5] and arriving in Bonn March 27.

Blankenhorn expressed some skepticism as to how useful it might be in circumstances for Germans to agree Van Naters' report at London meeting March 19–20. [6] We expressed view to him that Federal Republic would be on solid ground in so doing.

As for Brussels meeting, Blankenhorn said Federal Republic would follow French wishes. If France felt need for postponement because of situation in Paris, Germans would agree. He assumed, however, Chancellor would, in case of postponement Brussels meeting, seek opportunity for early meeting with Bidault regarding Saar.

CONANT

---

[4] Rudolf Thierfelder, expert on the Saar in the Foreign Ministry of the Federal Republic of Germany.

[5] Mario Scelba, Italian Prime Minister.

[6] A meeting of the Special Subcommittee of the General Affairs Committee of the Council of Europe was scheduled to be held in London, Mar. 19–21.

No. 673

762.022/3–1754: Telegram

The United States Representative to the European Coal and Steel Community (Bruce) to the Department of State [1]

SECRET PRIORITY PARIS, March 17, 1954—8 p.m.

Coled 190. Limited distribution.

1. At yesterday's meeting on Saar Blankenhorn gave Francois-Poncet a new draft statement of principles prepared on Blankenhorn's own responsibility. [2] We are pouching copies today to Merchant, Conant and Aldrich. [3] With only a few significant exceptions noted below, this new German paper is very close to Council of Europe Report [4] as approved in February and in one or two instances even makes concessions to French beyond those already accepted by Germans in Council of Europe Committee. In particular, it withdraws from almost all the bargaining positions which still remained in German statement presented to Maurice Schumann by Hallstein and transmitted Coled 176. [5]

2. New German paper appears to depart from Council of Europe solution in only three major important respects:

(a) On economic problem, German paper reproduces in substance the compromise agreed to by Council of Europe Committee. However, it provides in addition that equal economic access for Germany to Saar as defined in paragraph 12 of Council of Europe Report shall be brought about within two years of effective date Saar statute. In discussing this addition with Francois-Poncet, Blankenhorn admitted Germans willing bargain about length of period but felt need for some assurance that equal access would be accomplished within a given period. German paper also adds provision that new Franco-Saar economic treaty must be agreed by Germans.

(b) Provisions paragraph 19 Council of Europe Report re US, UK, French and FedRep guarantee of statute completely omitted (for reasons see Coled 168 [6]).

(c) Provision in Council of Europe Report for Deputy Commissioner of Saar origin also omitted.

3. In commenting on German paper to Blankenhorn yesterday, Francois-Poncet made it clear he was bound by rigid instructions from Quai d'Orsay which gave him little leeway to deviate from provisions of Quai d'Orsay paper transmitted Paris Embtel 3278,

---

[1] Repeated to London and Bonn eyes only for Aldrich and Conant.

[2] For a report on this meeting, see telegram 2883, *supra*.

[3] Transmitted in telegram 3584 from Paris, Mar. 29. (762.022/3–2954)

[4] Regarding van Naters' report on the Saar, see Document 640.

[5] See footnote 3, Document 668.

[6] See footnote 4, Document 669.

March 9.[7] (Germans understand Maurice Schumann may have come to Bonn Monday to see Francois-Poncet.) Francois-Poncet made a number of criticisms of German paper, of which four were of major importance:

(a) On economic questions he stated flatly his instructions did not permit him to go beyond position stated paragraph 8 of Quai d'Orsay's paper. This meant that Franco-Saar economic union must be retained in present form, without substantial change until creation of European common market. On related points Francois-Poncet made comments burden of which was that present provisions of Franco-Saar conventions were untouchable.

(b) Concerning guarantee of Saar statute, French insisted on adoption in full of Council of Europe Report provisions (restated in paragraph 12 of Quai d'Orsay paper), including requirement that FedRep associate itself with tripartite agreement to support statute during peace treaty negotiations.

(c) Francois-Poncet insisted that Saar representative should have full voting status in European Councils of Ministers. German paper had followed Council of Europe Report in giving Saar representatives non-voting "consultative" status.

(d) Francois-Poncet strongly objected to statement in preamble to German paper that European settlement was subject entry into force EDC. He said French might not object to Adenauer's making such statement in Bundestag but could not accept its being written into text of statement of principles.

4. Our comments and recommendations on this Saar question in light of latest developments will be forwarded separately.[8]

BRUCE

[7] See footnote 3, Document 667.

[8] No telegram from Bruce as described has been found in Department of State files.

No. 674

762.022/3-2354: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET PRIORITY BONN, March 23, 1954—6 p.m.

2950. Reference: Deptel 4771 to London, repeated Bonn 2576, Paris 3193.[2] Recent developments on Saar also lead us to believe that moment is ripe for considering prompt mediation by UK–US if

[1] Repeated to Paris and London.

[2] Document 671.

Adenauer on his return [3] should bog down in Saar negotiations with Bidault. Despite apparent willingness Chancellor and his immediate advisers to accept solution along general lines of Van Naters' plan, French and German negotiators have recently drawn further apart. Blankenhorn–Poncet conversations unfruitful; and parliamentary opposition to reasonable Saar settlement hardening. This marked by Gerstenmaier's refusal to vote for moderate proposal re Saar political liberties in London meeting and increasingly strong assertions by FDP and DP politicians against giving up Saar as German territory. As impression grows here that French have taken step backward and are in effect insisting on Saar as reparations, German willingness to compromise diminishes. We believe Chancellor can still achieve Saar settlement along Van Naters plan lines but will be unable to agree settlement which appears in German eyes as reparation payment to France. French attitude on economic questions strike Germans as implying just that.

Paris telegram to Department 3457 March 21 [4] indicated that French may very shortly call upon US and UK to back up French position on Saar. We believe US–UK position should be one of mediation—not support for either side—and heartily concur Department's analysis of Saar problem contained in Deptel to Bonn 2576. Van Naters' plan represents reasonable middle ground. Its compromise on interim status under CE supervision and on status of Saar representation in European organizations seem maximum political concessions Bundestag ready to make. We believe Germans will accept Naters' recommendation on currency. Plan recognizes legitimacy of German insistence on step-by-step access to Saar market and yet provide reasonable safeguards to protect French financial stability; which should be sufficiently far reaching to satisfy legitimate French fears. Proviso in Blankenhorn's draft [5] that Germans should in two years be on equal terms with French in Saar market is negotiable according to Blankenhorn. (See ourtel 2883, repeated Paris 570, London 469 and letter from Steere to Morris March 17 forwarding Blankenhorn draft.[6])

With regard to German support of Saar settlement at Peace Treaty Adenauer has often made and surely would be ready to

---

[3] Chancellor Adenauer had not returned from his trip to Greece, Turkey, and Italy.

[4] Telegram 3457 reported that Schumann had told Dillon that the Franco-German talks on the Saar were going very badly and that the time might soon come when the French would have to ask for U.S.-U.K. help in the negotiations. (762.022/3-2154)

[5] Regarding this draft, see Coled 190 and telegram 2883, *supra* and Document 672.

[6] Telegram 2883, Document 672. The letter from Steere to Morris has not been found in Department of State files.

repeat assurances along lines of Deptel 4771 to London, numbered paragraph 7.

Although Gerstenmaier is insisting that political liberties in Saar be introduced at once, we believe plan for abolishing licensing parties and restoring full political liberties for six months before referendum and after adoption of Saar plan by interested European powers could be sold to Chancellor and majority Bundestag.

We also agree with reference Deptel that advisable to postpone settlement problem of sequestration property, particularly steel mills until later. Time too short for such complicated problem.

We believe proviso making Saar settlement conditional upon ratification EDC is reverse of coin to French insistence Saar settlement *sine qua non* for French ratification of EDC and we should support Germans this point.

CONANT

No. 675

762.022/3-2554: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET PRIORITY BONN, March 25, 1954—6 p.m.

2980. 1. I note from Paris messages that Maurice Schumann persists in his representations that French Government cannot recede from position stated in his memorandum of March 8 [2] on Saar settlement without meeting serious parliamentary and public opposition and that representatives of Federal Republic are showing themselves intransigent and unreasonable during these negotiations.

It appears that press and parliamentary opinion in France widely welcomed Council of Europe proposals for Saar settlement as important diplomatic victory for France and urged French Government to take this opportunity for settlement of this question. At same time Chancellor past few months has made one concession after another until now German position as defined in latest Blankenhorn memorandum is very close to that of Council of Europe report. [3] In my view the Foreign Office has now gone so far that the Chancellor will need all his prestige to sell Blankenhorn proposal to Bundestag. While popular interest in the Saar question ap-

[1] Repeated to London and Paris.
[2] Presumably the proposal referred to in telegram 3277, Document 667.
[3] Regarding Blankenhorn's memorandum, see telegram 2883, Document 672.

parently not great in either France or Germany, it must be realized that the Chancellor is facing politically more explosive situation than French Government since he will have to defend surrender of Saar. Furthermore, separation of Saar from Germany will be attacked here as weakening Germany's claims to eastern territories regardless of legal merits this contention. Evolution of German position should give French Government good reason to believe that it can obtain a final settlement which will meet its basic objectives with regard to the Saar and will be supported by French Parliament and French public.

2. On basis of the latest paper submitted by Blankenhorn to Francois-Poncet the following points could be presented by the French Government to the French Chamber of Deputies as major German concessions:

a. Saar territory is to be severed from Germany and become European.

b. Saar is to be autonomous and self-governing in its internal affairs.

c. Saar is to be represented separately in European assemblies and Council of Ministers.

d. Number of French deputies in European assemblies is to be equal to number of German deputies and Saar is to be represented separately by its own deputies with full rights.

e. Referendum on European statute is to take place without prior Saar *Landtag* elections in which pro-German parties would be permitted to campaign.

f. European statute on Saar as integral part of Saar constitution and as an international treaty would be unchangeable except by agreement of all parties concerned.

g. Saar experts are to be permitted to participate in drafting statute.

h. Territory to be Europeanized is to come only from Germany.

i. Franco-Saar conventions to be recognized by being incorporated in whole or in part in European settlement.

j. Franco-Saar monetary union to be recognized by having French franc only legal tender in Saar for indefinite future.

k. Free movement of goods, currency and population between France and Saar to be retained intact.

l. Federal Republic given only gradual access to Saar trade and finance (this assumes two years asked by Blankenhorn is to be either extended or eliminated and made indefinite in time as in Council of Europe report) and safeguards provided lest this settlement be misused for economic transactions between Federal Republic and France to French disadvantage. Also consideration given to protective needs for individual branches Saar economy.

m. Treaty to provide for such measures as may be necessary in case French balance of payment seriously jeopardized as result of reorganization of Saar economic relations.

n. Germany is to be excluded from ownership of Saar mines, which are former German state property.

o. German steel mills and financial institutions are to remain under sequestration in the Saar until after EDC ratification at least.

In addition, Adenauer is willing to agree that Saar coal and steel production is to continue to count with French coal and steel production in European Coal and Steel Community.

Furthermore, French Government can point out to French Chamber that US and UK for first time would take definite commitment giving satisfaction to French demands on Saar dating back to four-power negotiations in Moscow in 1947 by supporting this Saar settlement and by committing themselves to present settlement at peace treaty negotiations.

On his side the Chancellor would have to seek Bundestag and popular support by presenting the following French concessions (some of which have not yet been finally made).

a. European settlement is to be valid only if EDC treaty ratified.

b. Saar settlement is to be eventually in framework of European community of six, thus promising that Saar will become a real European territory under real European institutions and that Germany, progressively as European community develops, will have an equal voice in control of Saar and equal access to it.

c. Germany is to have concessions on trade in near future (this assumes Bidault's suggestion of freeing trade with limits to transshipment is put forward by France). Thus Saar will be Europeanized economically as well as politically by step-by-step access to Saar economy for Federal Republic (this point absolutely essential to achieve political acceptance of Saar solution by placing Chancellor in position to claim Saar solution is a step toward Europeanization rather than sell out to France).

d. Pro-German parties are to be free to participate in referendum and afterwards in Saar elections.

e. French and Federal Republic are to propose Saar as seat of European institutions.

f. All-German Government will be free to decide on Saar settlement at peace treaty negotiations.

g. German character and culture of Saar fully safeguarded. [5]

CONANT

---

[5] On Mar. 26 Dillon reported that he and Bruce concurred in this analysis (telegram 3556 from Paris, 762.022/3-2654), while the Embassy in London reported that the Foreign Office at the working level also agreed with the analysis. (Telegram 4183 from London, 762.022/3-2654)

No. 676

762.022/3–2654

Memorandum by the Secretary of State to the President [1]

SECRET WASHINGTON, March 26, 1954.

Subject: Proposed US–UK Commitment of Diplomatic Support for a Franco-German Agreement on the Europeanization of the Saar

We hope that Chancellor Adenauer and Foreign Minister Bidault will meet again in the next few days to reach an agreement upon a joint statement of principles for the settlement of the Saar problem. It is expected that their agreement will be based upon the compromise plan drawn up under the leadership of the Netherlander, van Naters, in a Committee of the Council of Europe in which all members are represented. This plan, which is public, includes a provision that the US and UK guarantee the agreed European status of the Saar. The French Government has asked us to express our support for the settlement, once it is reached, so as to have a further assurance that it is definitive and that there will not be further difficulties regarding the return of the Saar to Germany.

I believe that we should support an agreement reached by the Germans and the French in any case, and certainly if our support may be instrumental in bringing such an agreement about. We envisage a statement of support, not a guarantee as this might involve a treaty. We have obtained Foreign Minister Eden's approval of the attached text and are consulting with the appropriate subcommittees of the House and Senate. The joint US–UK statement would be issued after the issuance of the agreed Franco-German statement of principles on a Saar settlement.

The foregoing is submitted for your information.

JOHN FOSTER DULLES

---

[1] Prepared in WE on Mar. 24 together with the attached statement and transmitted to Secretary Dulles for approval on that day under cover of a memorandum from Merchant to Secretary Dulles. (762.022/3–2454) The Secretary of State approved the memorandum and the attached statement and transmitted them to President Eisenhower on Mar. 26. The source text bears the handwritten notation "For the Sec State, the attached, which I've initialed, appears satisfactory to me. D.E."

[Attachment]

Proposed U.S.-U.K. Statement [2]

CONFIDENTIAL [WASHINGTON,] undated.

"The Governments of the United States and the United Kingdom have noted with satisfaction that the Foreign Minister of French Republic and Chancellor of Federal Republic of Germany have reached an agreement as to a European status for the Saar. The Governments of the United States and the United Kingdom welcome this agreement pending the conclusion of a peace treaty or of a settlement in lieu thereof. On the assumption that the EDC as a step in the development of the European community is concluded, the Governments of the United States and the United Kingdom will undertake furthermore to propose and support the acceptance of this solution as final, both at the negotiations which precede such Treaty or settlement and in its execution."

If something further appears needed, we would be prepared to add the following:

"The Governments of the United States and the United Kingdom have an abiding interest in the effectiveness of this settlement of the status of the Saar. Accordingly, if this status should be threatened, the two Governments will consider it of such concern as to require consultation as to the proper measures to be taken."

---

[2] Following the dispatch of telegram 4771 (Document 671) representatives from the Department of State and the British Embassy discussed the draft statement and arrived at the text which appears below. A record of their discussion was transmitted to London in telegram 4898, Mar. 23. (762.022/3-2354) The source text was approved by President Eisenhower on Mar. 26 and bears the initials "D.E."

No. 677

762.022/3-2654: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET PRIORITY WASHINGTON, March 26, 1954—7 p.m.

4985. To ensure necessary coordination and full agreement with UK on Saar problem (Deptel 4898 to London sent Paris 3271 Bonn 2653 [2]) Embassy London discuss following with Foreign Office.

---

[1] Drafted in WE and GER; cleared in draft with Murphy, Lyon, BNA, RA, and WE; approved for transmission by Bonbright; and initialed for the Secretary of State by Merchant. Also sent to Paris and Bonn.

[2] See footnote 2, *supra*.

1. You should inform Foreign Office of instructions to Conant in para 3 Deptel 4899 to London (rptd Bonn 2655 Paris 3272) [3] and seek Foreign Office instructions to UK HICOMer to join urging early Bidault-Adenauer meeting to last as long as necessary to reach agreement. Embassy should also seek Foreign Office instructions to UK Ambassador Paris to coordinate with Dillon re such approaches as should be made Bidault to get agreement such meeting. Believe our representatives should, as appropriate, express willingness US/UK extend good offices should they be needed during course of meeting.

We believe once date of meeting set, approach should be timed and French and Germans informed of joint US/UK on substance, as agreed. We agree with British views on timing but wish to ensure that any approach not too late to have effect. Therefore, believe approach should if possible be made at least two days before next meeting. Approach could be based, at least to French, on basis request for "guarantee" (para 6 Coled 202 [4]), and on Maurice Schumann memorandum as suggested para 13 [*5E*] Paris 3512 (rptd Bonn 732). [5]

Embassy London should also seek firm up agreement US/UK views on other points as follows.

2. On British suggestion re joint statement, we agree to all recommendations. However, we suggest that last two sentences, which British want deleted, be considered as reserve for possible use should French want some statement re action we are willing to take in event settlement threatened. Congressional consultations successfully completed Mar 26 were conducted this basis. UK Embassy here vague re our view that any reference to US/UK statement of support be deleted from Franco-German agreement. Embassy London should further seek UK concurrence our position on this. Failing deletion, we hope agreement would be worded so as to take into account limits our possible commitment.

3. We agree to British proposals that we inform French and Germans our view on major points, i.e. that they should accept Van Naters report as basis for agreement unless there is cogent reason for deviation and that we should particularly emphasize desirability of accepting economic provisions. We fail to see need for stress on Saar as seat of European bodies since both French and Germans

---

[3] Telegram 4899 reported general British agreement with the U.S. position on the Saar and stated that a report on the joint position would follow. (740.5/3–2254)

[4] Coled 202 reported on the prospects for EDC ratification in France including the French desire for a guarantee for a Saar settlement. (740.5/3–2154)

[5] In the paragraph under reference Dillon suggested the United States and the United Kingdom take the initiative and express their dissatisfaction with the French position in the Saar negotiations. (740.5/3–2454)

agreed. However, at time of joint approach, suitable allusion can be made to utility of European solution of Saar question in this respect.

Since French and Germans have failed to reach agreement so far on remaining points, as outlined Deptel 4771 to London (rptd Paris 3193 Bonn 2576), [6] believe that we and British must be prepared to express views on these points if necessary. Therefore we should reach agreement between ourselves on points 5 and 7 below. We should also state our views, if necessary, on point 4 below since this is deviation from Van Naters plan.

4. Agree that Germans can be asked to uphold settlement pending a peace treaty and that there should be no requirement of German assent to any Allied commitment concerning support at the peace conference.

5. On question of political parties, we accept subcommittee's report, if, as understood from London's 4091 (rptd Bonn 250 Paris 554), [7] it recommends that licensing of political parties be abolished before referendum and for subsequent elections. Believe attempt prohibit activities of parties which may not support statute highly undesirable. We still believe, if French maintain position, matter could be handled as suggested last sentence para 7 Coled 179, [8] i.e. once statute adopted, cannot be modified unilaterally by Saar regardless outcome any particular election. FYI, British Embassy indicates Foreign Office probably will agree.

6. On issue of making settlement conditional upon EDC, we agree with British that such condition need not be incorporated in settlement. However, we do believe there must be some formal agreement on this point and do not believe French suggestion of unilateral Adenauer statement to Bundestag suffices. French have linked Saar with EDC and we think they cannot avoid German demand to condition settlement upon EDC. Unilateral German statement does not cover Germans on this point.

7. On issue of EPC or Council of Europe as supervisory organ, while we sympathetic with British position, believe we should keep to Van Naters recommendations. Use of British position would make agreement most difficult for Adenauer since essence of Europeanization concept is role of European community in Saar settlement. Use of CE would destroy psychological and political appeal of Europeanization in Germany and might be subject to interpreta-

---

[6] Document 671.

[7] Telegram 4091 reported on the work of the General Affairs Subcommittee at London, Mar. 19–21. (762.022/3–2354)

[8] Document 669.

tion by Germans that it is merely affirmation of *status quo* under new name.

8. Understand from UK Embassy, that British agree our views re coal mines and sequestrated industries (para 9 Deptel 4771). Please confirm with Foreign Office.

9. It should be made clear to British, while we believe we should urge keeping to Van Naters resolution, we reserving our position on question of US participation 7 or 9 power conference. Continue believe details should be worked out bi-laterally and conference convened only at request of principals concerned.

10. Will advise Embassy here of foregoing. While further UK views may be transmitted via that channel, desire Embassy London report fully and urgently particularly Paris and Bonn in order facilitate joint approaches. Conant and Dillon should inform British colleagues status US/UK consultations with view to early coordination action in Bonn and Paris.

11. Proposal contained Paris Embtel 3555 [9] just received appears entirely consistent with approach on economic problem agreed between US and UK (reftels) and should be presented at most appropriate time directly to Bidault as part of *démarche* based on Schumann invitation. Re Coled 212 [10] just received here cancelled personal message to Adenauer. Dillon should immediately follow up Adenauer's initiative with Bidault to get him to set early date for meeting. [11]

DULLES

---

[9] Telegram 3555 proposed that the following three proposals should be made to Bidault: (a) maintenance of the Franco-Saar monetary and economic union would be recognized, (b) German economic equality in Saar markets would be accepted, and (c) appropriate controls on transshipment of goods would be established on the German-Saar border. (762.022/3-2654)

[10] Coled 212 reported that a message from Adenauer to Bidault had been delivered to the Quai d'Orsay suggesting a meeting on the Saar. (740.5/3-2654)

[11] On Mar. 27 the Embassy in London reported that the Foreign Office was in general agreement with the points raised in this telegram and that Ambassador Harvey in Paris had been instructed accordingly. (Telegram 4195 from London, 762.022/3-2754)

No. 678

762.022/4-2254: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

TOP SECRET PARIS, April 22, 1954—3 p.m.

4011. Limit distribution. I had an hour's talk Wednesday morning with Maurice Schumann in which he gave me his view of the results of his latest talks with Hallstein on the Saar. [2] He said that the formal meetings which were attended by four or five experts on each side had made very little, if any, progress and had ended with both sides deadlocked. [3] Therefore, he had determined to see if further progress could be made by an informal talk between himself and Hallstein. He had asked Hallstein to lunch with him alone at Versailles on Sunday, April 11. Hallstein had accepted and asked if he could bring Ophuels [4] with him. Accordingly, Schumann, Hallstein and Ophuels met at lunch and afterwards walked in the park at Versailles and discussed the Saar for four hours. No record or notes of any kind were made and it was agreed to keep this conversation in greatest secrecy. On the French side only Bidault and Berard have been fully informed. Laniel has been briefly informed.

Maurice Schumann during this conversation made the following proposals as his view of what could be done to reach settlement. He said that these proposals were acceptable to Bidault and that he was confident that they would also be accepted by a majority of the French Cabinet. He said that naturally a settlement along these lines would be bitterly attacked in the National Assembly by the opponents of EDC.

The proposals to Hallstein were as follows:

1. France will withdraw its request for a pledge by the Federal Republic to support the Saar agreement as long as the Federal Republic remains in existence. Schumann pointed out that this pledge was a vital element of the Van Der Goes report [5] and was the very basis on which Van Der Goes had asked for French concessions. This is spelled out in the Preamble to the Van Der Goes report. He emphasized that the French had never suggested that the hands of a future all German Government should be tied in any way, and

---

[1] Repeated to Bonn and London eyes only for Conant and Aldrich.

[2] A memorandum of this conversation, which is almost a verbatim copy of the text transmitted here, is in PPS files, lot 65 D 101, "Germany."

[3] Talks between French and German officials on the Saar had continued in April, but Bidault and Adenauer had not met. Documentation on these talks is in file 762.022.

[4] Carl F. Ophuels, lawyer and minister in the Federal Republic.

[5] See Document 640.

that what they were not willing to give us was a pledge by the Federal Republic. Schumann said that this concession by France would cause difficulties in the National Assembly, as it would enable enemies of EDC to attack the permanence of the Saar settlement. However, Schumann said that he had told Hallstein that, as a politician, he realized that it would be politically impossible to ask the Bundestag to vote such a pledge. Therefore, France would drop its request.

2. Schumann also said that France would drop its request that the European Commissioner for the Saar have a full voice in all European Ministerial organs. France will agree to the consultative status desired by the Germans and contained in the Van Der Goes report with one exception. This exception would apply only in case arrangements are made in the future for the Saar to join the EDC in some manner. Schumann felt that if this came about and the lives of Saar citizens were at stake, then the European Commissioner should have some sort of voice on certain of the problems that come up in the Council of Ministers. He said that this voice should in no event be able to hold up or block action in the Council of Ministers, and should not be a full voice for all problems.

(*Comment:* I discussed this again later in the evening with Schumann and Alphand. Schumann apparently is not very clear as to what he has in mind here and it may well be that this thought could be omitted from the Saar agreement and covered in a separate Franco-German understanding.)

3. The French will agree that when, and if, EPC comes into effect, the Saar, as European territory, will be controlled by the organs of the EPC. However, it is necessary that the status of the Saar be settled permanently now and not be subject to future negotiations. Therefore, the French are asking German agreement to immediate Europeanization of the Saar under the auspices of the Council of Europe, as provided in Van Der Goes report. They wish this agreement to Europeanize under the Council of Europe to be so worded that no delay in the coming into force of EPC could be used by the Germans as a pretext to reopen and renegotiate the status of the Saar. Thus, Europeanization would be initially under the Council of Europe, but would be shifted to the EPC when, and if, the EPC comes into effect.

In this connection, Schumann emphasized the importance of the French proposal to increase democratic controls for the Coal and Steel Community, and the EDC. He said he hoped that the Germans would realize the importance of the French willingness to support a universally elected Assembly to control these two institutions. He stated further that it must be obvious that once such an Assembly had been elected and had met, the European Political

Community would inevitably come into being in a very short period of time.

4. Schumann then talked about the economic problem. On this, Schumann pointed out that there were two things which the French could not do. One was to agree to a system of trade equality for Germany in the Saar that would give German goods the opportunity to come into France duty free. Such an eventuality, which could lead to the dislocation of the whole French economy, would be against the interest of the movement for European unity. Secondly, the French could not agree to any form of control of German imports into the Saar which would require the setting up of a customs organization on the Franco-Saar border. Schumann said that Hallstein had suggested that German goods entering the Saar be labeled as such to prevent their re-export into France. He said that he told Hallstein this would be unacceptable because it would require the setting up of an organization on the Franco-Saar border to check labels on all goods crossing from the Saar into France. Schumann said that what the French were prepared to do was to so liberalize German-Saar trade that Germany could, over a gradual period, hope to obtain the same opportunity to sell in the Saar as it had had when the Saar was German territory. German-Saar trade would be controlled by a series of quotas.

(*Comment:* This is the same suggestion as the one made to me earlier by Bidault for a series of upset figures for German-Saar trade.)

Schumann said that he told Hallstein that if the Germans would once accept the principle that all they desired was an equal opportunity to sell goods solely in the Saar, and once they showed that they understood the problem that would be caused by German goods flowing into France duty free through the Saar, and agreed to control of such traffic by a series of quotas, the French would be most flexible in dressing up the language of the agreement to make it appear that it was in fact, full free trade for Germany in the Saar. Schumann told me that it might even be possible to label the agreement as an agreement for eventual free German-Saar trade, although this would undoubtedly cause difficulties in the French Parliament.

Schumann then told me that he was not at all certain that the Germans had given up the idea of using the Saar as a means of extending their markets within France and the French Union.

(*Comment:* This fear of German goods flowing duty free into France through the Saar seems to be the basis of the French distrust on this subject.)

5. Schumann then mentioned one economic problem which was new to me. He said that there were certain industries in the Saar

whose competitive position would be so improved if they could obtain duty free new equipment from Germany and duty free raw materials for manufacturing that they would then be able to dislocate whole segments of French industry. He referred particularly to a china and pottery manufacturer by the name of Bock (spelling uncertain) which, he said, had the capacity to supply the entire pottery and porcelain needs of metropolitan France and the French Union. If this company were to be allowed to operate on a favored basis with duty free German raw materials it could put the whole French porcelain and pottery industry out of business. Schumann said that some way must be found to guard against this.

(*Comment:* I am not clear as to whether Schumann had any other companies or industries in mind in this category and it may well be that this is an isolated, but important situation.)

6. Schumann finished by saying that he is now waiting to hear from Hallstein who had been absent on his Easter holiday. He understood that Hallstein had returned on Tuesday night, April 20, and that Berard was seeing him on Wednesday, the 21st. The next step will be for Hallstein to inform Schumann privately of Adenauer's reactions to Schumann's proposals. Hallstein is expected in Paris this weekend for a meeting of European leaders. Schumann has asked for a meeting with him at that time, provided Hallstein is ready to talk. Schumann said that he hoped that in view of the concession which he had offered to make, that Hallstein would be able to offer German concession at this new meeting that could enable them to rapidly reach an area of general agreement close enough to warrant a meeting between Bidault and Adenauer to arrive at a final solution. [6]

Schumann emphasized that the technical experts in the Quai d'Orsay knew nothing of this conversation and that it was his understanding with Hallstein that the German Government experts would also not be informed of this talk.

Schumann later Wednesday afternoon during a courtesy call by Jebb informed him along these same lines in a considerably briefer conversation.

DILLON

---

[6] On Apr. 26, HICOG reported that Hallstein had met with Berard on Apr. 22, but had not advanced the discussion of the Saar materially, and that he had not seen Schumann in Paris during the week of Apr. 24, but had arranged for a meeting with him in Paris on May 3. (Telegram 3285 from Bonn, 762.022/4–2654)

No. 679

762.022/4-2854: Telegram

The Acting Secretary of State to the Secretary of State, at Geneva [1]

SECRET WASHINGTON, April 29, 1954—7:17 p.m.

Tosec 41. Limit distribution. Re Embassy Paris 4112, [2] Department was encouraged by Schumann's improved approach to Saar negotiations reported Paris 4011 [3] and regrets that Chancellor and Hallstein apparently disinclined pursue matters further with Schumann (Bonn's 3292 to Department [4]); however, Department doubts whether message from Secretary to Adenauer, suggested Paris 4112, advisable or appropriate. [5]

Fact that Hallstein and Adenauer now seem inclined to acceptance van Naters plan *in toto* is encouraging and in line US–UK view; we hope that French would move towards full acceptance of that plan. Germans as well as French have already indicated readiness make substantial and difficult concessions during course of recent negotiations. Believe that both sides, rather than just one, should be encouraged at appropriate times and in appropriate manner to continue to seek agreement and to do so being as generous, flexible and understanding as possible. Department inclined believe we should continue to withhold any substantive comments on details of agreement until just prior to Adenauer–Bidault meeting particularly in light possible further delay this meeting as result developments reported last para Paris 4112.

Suggest that matter of US–UK intervention and timing thereof be discussed by Dillon, Bruce and Hughes with Secretary at dinner understood scheduled for May 3 with view to determining best course of action.

SMITH

---

[1] Drafted in WE and GPA, cleared by Lyon, WE, and RA, and initialed for the Acting Secretary of State by Bonbright. Repeated to London, Paris, and Bonn.

[2] Telegram 4112 reported Dillon's concern that the Germans believed all French concessions on the Saar to be merely bargaining positions. (762.022/4-2854)

[3] *Supra.*

[4] Not printed. (762.022/4-2754)

[5] On Apr. 30 Secretary Dulles, who was in Geneva for the Conference on Indochina and Korea, reported that he too was not disposed to send a personal message to Adenauer on the Saar. (Secto 52 from Geneva, 762.022/4-3054)

No. 680

110.11 DU/5–254: Telegram

The Secretary of State to the Department of State [1]

SECRET GENEVA, May 2, 1954—10 p.m.

Dulte 44. Blankenhorn, who stated he [was] in Switzerland for "meeting of a Christian Democratic interparliamentary group" asked to see MacArthur this evening. He said he called at Chancellor's request regarding Saar. He made quite impassioned statement (in typical Blankenhorn fashion) saying as result of total lack of action on EDC and Saar during past six months, Chancellor's internal position in Germany daily becoming more difficult and that he "had his back to the wall". Last parliamentary debate on foreign affairs had been extremely difficult and Chancellor had only held coalition together by telling FDP ministers that if they would not support his European and Saar policies they should resign. He said Chancellor deeply concerned over rising tide of nationalism in Germany which stemmed from fact that no real progress had been possible over last few months on Chancellor's European policy because of French obstruction and delay.

He then gave MacArthur a paper (which he said Chancellor had worked out yesterday with Hallstein) which represented ultimate extent to which Germany could go on Saar. Hallstein would give paper to Maurice Schumann tomorrow as German position on Saar. [2] Subsequently Hallstein would see Dillon and also give him copy explaining German position. Also copy would be given to Dowling in Bonn tomorrow. MacArthur said he obviously could not comment on paper. He told Blankenhorn we believe that Laniel and Bidault both are determined to do their best to put EDC through. The one stumbling block is Saar. MacArthur recalled Secretary's talk with Adenauer at Bonn airport on February 18 [3] and said we counting on Adenauer's statemanship to go to utmost limit to reach Saar settlement. If there is no Saar agreement, EDC will fall through. It would be great tragedy for Germany, Europe, and indeed US, but one which US would have to face up to if Europe could not get together. US has done its utmost and we are counting on Germans to do same. Blankenhorn reiterated Chancellor's great difficulties in face of rising German nationalism; mentioned that there were four elections in Germany this year which would go

[1] Repeated to Paris and Bonn.

[2] For a report on Hallstein's meeting with Schumann on May 3, see telegram 4192, *infra*.

[3] For a memorandum of this conversation, see Document 527.

very badly for Adenauer and moderate elements in Germany if they went beyond position set forth in paper; said it was imperative that Saar be tied to European political community; and that Saar agreement must be subject to terms of final peace treaty or settlement in lieu thereon.

Following is "rough English translation" handed MacArthur by Blankenhorn: [4]

Begin verbatim text:

Saar statute shall be based upon proposal of general affairs commission of Consultative Assembly of Council of Europe.

1. Saar shall become European territory when European political community comes into existence, subject to terms of peace treaty or settlement in lieu thereof. It shall become seat of chief European institutions.

2. European powers in Saar shall be vested in competent institutions of European political community. Statute can be amended only in accordance with constitution of community.

3. Saar institutions are competent in every sphere insofar as is not otherwise provided.

4. German culture and German language of Saar population shall be maintained in every way. A new European statute shall be provided for Saar University.

5. Economic questions shall be settled in conformity with proposals of general affairs commission of Consultative Assembly of Council of Europe.

Measures necessary for this purpose concerning relationship between Federal Republic and Saar shall be implemented by stages and as rapidly as is compatible with economic conditions.

In this connection provision shall be made to ensure that settlement does not lead to grave threat to French balance of payments and that it does not lead to abuse in respect of German-French trade. Furthermore, provision shall be made by means of transitional regulations to ensure that disturbances of Saar economy are avoided.

6. European convention for safeguarding of human rights and basic freedoms shall apply in Saar without any restriction.

Licensing of political parties, associations, press products, and public meetings shall be abolished.

7. Statute shall be subject to free referendum in Saar under European control.

8. In event of statute being approved in referendum, new Saar parliament shall be freely elected.

9. Following shall apply as interim settlement:

> Pending establishment of European political community European commissioner shall be responsible for safeguarding of interests of Saar in sphere of foreign policy and of defense. He shall also ensure execution of, and compliance with, Saar statute. He shall be member of High Authority of Coal and Steel

[4] The German text of this paper, as handed to Schumann on May 3, was transmitted as an enclosure to despatch 2795 from Paris, May 4. (762.022/5–454)

community and shall be responsible to that community's common assembly. He shall sit on committee of ministers of Council of Europe in advisory capacity.

DULLES

No. 681

110.11 DU/5–454: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

SECRET PRIORITY PARIS, May 4, 1954—3 p.m.

4192. In accordance with Dulte 44 [2] (which I am repeating to London) Hallstein called on me last night after he had seen Maurice Schumann. He told me he was making the call to reestablish a procedure which had proved useful during the negotiation of the Schuman Plan. He remained for an hour and a half and discussed in detail the written proposal which he had given Maurice Schumann. English translation prepared by German FonOff is identical with that in Dulte 44. Official German language version being sent to Dept today by despatch. [3]

Hallstein said that meeting with Schumann had consisted of himself, his interpreter, and Maurice Schumann. He said the meeting had gone better than he had hoped and that Schumann seemed in a far more flexible mood than he had ever seen him previously. I remarked that it was my understanding that this change of mood dated from the meeting Hallstein and Ophuels had had alone with Maurice Schumann at the end of his previous visit here. [4] Hallstein agreed that in retrospect that meeting had been more significant than he had realized at the time. His difficulty at the time had been that the conversation with Schumann at Versailles had been very general and had lasted over a very long period of time, so that he had found himself unable to draw any precise conclusions from it. Therefore, after consultation with Adenauer, they had decided the time had come to present a specific proposal.

Hallstein said that Adenauer felt that negotiations had gone too far into questions of detail and that an agreement in principle should be made very short and as general as possible. The present German note is the result and it takes into account the limitations

---

[1] Repeated to Bonn and London.

[2] *Supra.*

[3] Despatch 2795 from Paris, May 4. (762.022/5–454)

[4] Regarding this meeting, see telegram 4011, Document 678.

imposed on Adenauer by the recent foreign affairs debate in the Bundestag.

Hallstein said that Schumann and he had discussed the proposal in some detail and that Schumann had then said he would require some time to think the matter over, after which they would have another meeting which could take place either the latter part of this week or early next week. Hallstein said the Germans were very anxious to settle the Saar question prior to the May 18 date set by the French Cabinet. He pointed out that there were 5 *Laender* elections coming up this year in Germany and that the first and most important would take place in North Rhine Westphalia in the latter part of June, approximately June 25 or 26. He said that Adenauer's foreign policy would inevitably be the central issue of this campaign and that if there had been real progress on EDC in French Parliament Adenauer was assured of an overwhelming victory. However, in the event there was no progress, things might go badly and it might even be possible that a new *Laender* government would be formed by a Socialist-Liberal coalition, which would end Adenauer's present two-thirds majority in the Bundesrat. This, Hallstein said, would be a calamity and therefore the Germans were now pressing for a rapid settlement of the Saar problem so that the French debate on EDC could get under way promptly.

Hallstein said that he felt it would be necessary for Adenauer and Bidault to have another meeting in order to arrive at a final solution. However, he hoped to be able to work out with Maurice Schumann a text containing agreed paragraphs and German and French versions of disagreed paragraphs. Such a text could be used by Bidault and Adenauer in their final negotiations. He said he was sure that Adenauer would be willing to ask Bidault for another meeting. I told Hallstein that I felt that in the situation he described, Bidault would accept such an invitation.

Hallstein also said that he felt that US and UK intervention might be needed to arrive at a settlement. I asked him what form he thought this intervention should take and he said that what he meant by intervention was primarily a solemn request by the US and the UK Govts to France and the FedRep to arrive at a prompt solution of the Saar problem. He thought it would be difficult for such intervention to go very far into the details of the proposed settlement. He also said that the next session of the Council of Ministers of the Council of Europe was due to take place on May 18. For the first time Adenauer would be in the chair at this meeting. Hallstein thought that this meeting could be used in some fashion, how he was not yet quite clear, to create an atmosphere which

would tend to force prompt agreement between France and Germany along the general lines of the Van Naters Report. [5]

Hallstein then went into a detailed discussion of the new German proposal stressing three important points.

The first point was the statement that the Saar statute should be based on the proposal of the General Affairs Commission of the Council of Europe. He said that it was obviously not possible to follow the proposal in complete detail, but that it should be publicly taken as a point of departure for the Franco-German agreement, and should be adhered to wherever possible. This procedure would make it easier to obtain the approval of the Bundestag for the eventual settlement.

The second important point was the content of paragraphs 1 and 2 of the German proposal. He said that the Chancellor's position on this point was inflexible and that on this one subject he was under far more rigid instructions than usual. If a Saar settlement was to be ratified by the Bundestag, Hallstein said it was absolutely essential that it contain the statement that the Saar would only become European territory after the European political community came into existence. He then said that he realized that this ran counter to a basic French requirement that the solution be definitive and not subject to reopening in the event of delay in creation of EPC. In an attempt to get around this problem, paragraph 9 had been drafted. It should be read in conjunction with paragraphs 1 and 2.

Hallstein confirmed to me, as he had during morning to officer of Bruce Mission, that it would be perfectly proper for the French to claim in their Parliament that the interim settlement, as outlined in para 9, was in effect permanent. He said that he had gone as far as he could to indicate this to Maurice Schumann and that he hoped that Maurice Schumann had understood his idea. He said that the Germans had proposed that the Saar Commissioner be a member of the High Authority of the Coal and Steel Community and be responsible to that community's Common Assembly because the High Authority was far more of a European supra-national body than the Council of Europe. It would be easier to sell such an interim position to the Bundestag than one which put the commissioner under the Council of Europe, as provided in the Van Naters Report. He said he had not consulted with Monnet [6] about his proposal but no doubt Monnet and the High Authority would be opposed to it as further complicating their present assignment.

The third problem of importance, Hallstein said, was the economic question covered in paragraph 5. He said the wording of

---

[5] See Document 640.

[6] Jean Monnet, President of the European Coal and Steel Community.

paragraph 5 had been arrived at to minimize as much as possible the important concessions being made by Germany to France. I told him that I felt the French had real concern and fear of the possibility of German goods coming into France through the Saar free of duty. Hallstein said that Germany had no desire to accomplish such an end and would agree to adequate controls, and he mentioned provisions for labelling goods, as one possible form of control. I told him that as a matter of principle I thought it would be very difficult for him to obtain acquiescence in any system of controls that would require the establishment of a customs organization on the Franco-Saar border.

I then asked him if he was prepared to accept the principle of quotas as a method of control for German-Saar trade. Hallstein at first demurred somewhat from this type of control, saying that his experience in negotiations of this sort with the French was difficult, that he thought it would be almost impossible to arrive at a mutual agreement on what the quotas should be.

I then inquired as to whether it might not be possible, in the event of disagreement lasting beyond a certain period of time, say 3 to 6 months, to refer the problem for decision to some neutral body, such as the Coal and Steel Authority. Hallstein said that he had given some thought to such a possibility and that he thought it might be practicable and that it certainly was worthy of consideration. He then went on to say that in practice Germany had very little interest in trade with the Saar per se. He said the population of the Saar was only nine hundred thousand, the same size as the city of Frankfurt, and such a market was not worth quarreling about. However, it was of the utmost importance for political reasons that the economic settlement be presented as a truly European one that would not appear to discriminate against Germany. He then said that he now had a feeling that the economic problem was capable of solution and he emphasized that he thought the real difficulty remaining in the way of a solution was the necessity for a tie-in to the European Political Community in the fashion mentioned in paragraph 1 of the German proposal, rather than the fashion to which Maurice Schumann had agreed in his earlier conversation. (See Embtel 4011.[7])

Comment: It seems to me that the Saar problem has now reached a point where it is primarily a question of drafting an agreement that will be satisfactory at the same time to the Bundestag and the French National Assembly. I do not feel that the wording of the new German proposal will be satisfactory to the French, as I feel that they will require wording that will spell out in greater detail

[7] Document 678.

the permanence of the "interim solution" envisaged in paragraph 9, and that they also will require a clearer statement of their economic gains, such as the maintenance of the currency and customs union with France. It appears that both the French and the Germans now desire to draw up an agreement which will give clear cut satisfaction to their own requirements but which can only be quoted by the other part as giving inferential approval to the other side's needs.

Looking at it this way the problem would seem to be more one of drafting than one of substance but I do not mean to indicate that this means that a solution is easy or is in sight. It still appears very difficult to draw up a piece of paper that can be interpreted in different ways in the Bundestag and the French Parliament. Contrary to the statement by Blankenhorn in Dulte 44, I did not get the impression from Hallstein that the German paper represented the "ultimate extent" to which Germany could go on the Saar. The one exception to this was the thought in the first two paragraphs dealing with the European Political Community. On this Hallstein repeated time and again that there was no room for retreat or compromise. Specifically it is my feeling that Hallstein would be prepared, if necessary, to abandon his suggestion of putting the European commissioner under the High Authority rather than under the Council of Europe. I also feel that he expects to have to agree to stronger language from the French point of view in paragraph 5 on the economic question.

I am informing British Embassy here of my talk with Hallstein and giving them a copy of the German proposal. It appears to me that Schumann's proposals to Hallstein contained in Embtel 4011 and the present German paper completely outdate the language of the proposed UK–US representations. [8] In particular, it would not seem appropriate any longer to refer to paragraphs in Schumann's paper of March 9, [9] which are now no longer at issue. If US and UK are to make representations in the near future I would think that prompt reexamination of the wording of such representations is necessary. I am seeing Schumann either later today or tomorrow to receive his report. [10]

DILLON

---

[8] Presumably a reference to the representations in a brief, dated May 1, 1954, agreed by a U.K.–U.S. working group which evolved from the coordination referred to in telegram 4985, Document 677. A copy of this brief is in file 762.022/5–154.

[9] See footnote 3, Document 667.

[10] For a report on Dillon's meeting with Schumann, see telegram 4224, *infra*.

No. 682

762.022/5–654: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

SECRET PRIORITY PARIS, May 6, 1954—1 p.m.

4224. I had a long interview with Maurice Schumann late Wednesday [2] evening regarding Saar. Schumann states that new German proposal is completely unacceptable as a basis of negotiation. He says it is too brief, too general, and attempts to bury fundamental differences of views in general terms, which is not acceptable. He pointed out that while the German proposal claimed on its face to be in accordance with van Naters report, it omitted the content of at least 12 paragraphs of the van Naters report, [3] including in particular Article 19. He was particularly upset by Hallstein's proposal to make the Saar commissioner a tenth member of the High Authority of the Coal and Steel Community. He said that this was utterly impossible because there would be a basic conflict between the duties of the Saar Commissioner, as the representative of the Saar for defense and foreign affairs matters, and his duties as a supra-national member of the High Authority. He likened the situation to one in which the Secretary-General of NATO was at the same time the foreign minister of one of the NATO countries. He also commented that this suggestion would require the revision and re-ratification by the six nations of the Schuman plan treaty, which was obviously out of the question.

As a result of this, he said, he had regretfully come to the conclusion that he could no longer trust Hallstein's personal good faith in this matter. He said he had enough difficulty with some of his own people in the Quai d'Orsay, who were working against the EDC, to be able to recognize the same thing when showed up in other places. Schumann now feels that Hallstein belongs to the group in the German Govt who are secretly working against EDC. He then said that Gerstenmaier, some time ago, had warned him against Hallstein. In spite of this feeling he was prepared to make one last attempt with Hallstein. If this did not succeed, he felt there was nothing left except an appeal to Adenauer which he was prepared to make. He expressed full confidence in Adenauer. I said nothing to discourage Schumann in his feelings about Hallstein as it seems that they may well be of service in breaking down the resistance

[1] Transmitted in two sections and repeated to London and Bonn.
[2] May 5.
[3] Regarding van Naters' report, see Document 640.

on the French side to a meeting between Bidault and Adenauer in the near future.

Schumann then read me the draft of a letter which he is sending Hallstein today, Thursday.[4] He said that he would furnish me with a copy as soon as the letter had been actually delivered to Hallstein. I cannot help but note this strict observance of diplomatic amenities as compared to Blankenhorn's performance in giving MacArthur a copy of German proposals prior to their submittal to the French.

Schumann's letter to Hallstein was couched in polite terms, but firmly rejected possibility of the use of the latest German proposal as a basis for negotiation. The letter then went on to say that the French felt that the only real basis of negotiation should be the van Naters report itself, as approved by General Affairs Committee of Council of Europe, and they proposed that be adopted as nearly as possible *in toto* with only such modifications as might be mutually decided upon. Letter concluded by stating that *aide-mémoire* was enclosed, giving the French views on the van Naters Plan.

Aide-mémoire states that the French propose minor changes in Articles 9, 14, 15, 16, 17, 18, 21, 22, 27, and 28 (subparagraph "c" only). The changes suggested are in each case spelled out in detail and on hearing them read it appeared to me that they were truly minor and should not cause difficulty. *Aide-mémoire* then states that France will require modifications substantial enough to require further negotiations in Articles 1, 7, and 12. The remaining 17 and two-thirds articles of van Naters report are accepted by France verbatim. The *aide-mémoire* then requests the Germans to indicate which articles in their view require substantial modifications and goes on to suggest a further meeting between Hallstein and Schumann, which should be limited to negotiations on the articles still in dispute.

Schumann then told me that the French considered there was a direct link between Article 1 and Article 19. From previous information, they were sure the Germans could not accept the portions of Article 19 and regarding assurances or assents to assurances by the FedRep. (Hallstein confirmed to me that this portion of Article 19 was totally unacceptable to Germans.) Schumann told me that if by any chance the Germans would be willing to accept full text of Article 19, France in return would accept Article 1 in its present form. However, if Germans objected to Article 19, French were prepared to grant their objections and make necessary changes and, in return, would insist on a change in Article 1.

---

[4] Translations of the letter to Hallstein and the enclosed *aide-mémoire* were transmitted in telegrams 4281 and 4282 from Paris, May 8. (762.022/5–854)

French suggestion for Article 1 was as follows: Since FedRep cannot accept an agreement which states that Saar becomes European territory at once and French Govt cannot accept an agreement that says Saar becomes European territory at some time in future, French propose that nothing whatsoever be said about when the Saar becomes European territory. Article 1 should merely state that when the EPC comes into existence it will control Saar Govt.

Changes in Article 7, while substantial enough to require negotiation, did not appear, in Schumann's view, to constitute any real difficulty. There remains only Article 12 covering economic settlement. Schumann said that this article as drafted is unacceptable to France because it is too general in nature and contains within it the possibility of drawing completely contradictory conclusions as to its meaning and intent. French would require further precisions and clarifications. These precisions will bear primarily on the form of controls that must be set up to prevent German goods flowing into France duty free. French can in no case accept any form of control which will require reinstitution of a customs organization on Franco-Saar border. In effect that means that only form of control possible will be the quota system for German-Saar trade, which the French have had in the back of their minds for a long time.

I am informing British Embassy of this development which apparently goes beyond the information received by Jebb in his talk with Schumann yesterday morning, because at that time Schumann's counter-proposal was not yet ready. It seems to me that new French position represents a real advance as it in effect accepts, in a very concrete manner, Adenauer's proposal of last March 9. [5] By emphasizing van Naters report it follows directly the line which US and UK Govts had intended to take in their joint representation. In view of this I feel HICOG should be prepared to support strongly with German Govt the acceptance of van Naters report as the sole basis of negotiation and the limitation of negotiations to disagreed articles.

DILLON

[5] Regarding Adenauer's meeting with Bidault on Mar. 9, see Coled 175, Document 668.

No. 683

762.022/5–654: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET PRIORITY WASHINGTON, May 7, 1954—7:07 p.m.

5905. Reference Paris 4192 and 4224 [2] reporting Dillon's conversations with Hallstein and Schumann on Saar, believe time has arrived for coordinated US–UK *démarches* in two or more phases in Bonn and Paris on Saar. Agree that US–UK brief [3] has been overtaken by recent developments and that immediate step now in order is for US and UK representatives in Bonn to urge Chancellor to accept Schumann's procedure of indicating specifically what articles of full text of van Naters plan are acceptable and what drafting changes are considered essential from German point of view. This would appear consistent with Hallstein's proposal that he and Schumann develop text containing agreed paragraphs and French and German versions of disagreed paragraphs plus his indications that Germans are prepared accept van Naters text *in toto* with minor modifications.

We believe that this procedure would not only facilitate eventual Adenauer–Bidault discussion and agreement but would also enable US–UK to intervene more effectively, if necessary, on disagreed paragraphs van Naters recommendations prior to Adenauer–Bidault meeting. Joint brief to be used at that time would be finalized depending upon nature and extent of disagreed paragraphs (London 4905 [4]).

As for timing next Bidault–Adenauer meeting much obviously depends upon developments at Geneva. However believe Schumann (and perhaps Bidault at Geneva) should be urged seek Bidault–Adenauer meeting prior May 18 Council of Europe Ministers meeting (and prior original May 18 date set by French Government to ask Assembly to fix date for EDC debate).

---

[1] Drafted in GER and WE, cleared by Lyon, G, and WE, and initialed for the Secretary of State by Bonbright. Repeated to Paris, Bonn, and Geneva.

[2] Document 681 and *supra*.

[3] A copy of this six-page brief is in file 762.022/5–154.

[4] Telegram 4905 reported that the Foreign Office had for some time been conscious of the need to update the joint brief and had begun work on the revision. (762.022/5–554)

London should discuss foregoing with Foreign Office and urge that Jebb and Hoyer Millar be authorized concert with Dillon and Conant in approach as outlined above. [5]

DULLES

[5] On May 7 the Embassies in Paris, London, and Bonn all reported the belief that the time had come for joint intervention. At the same time HICOG and the Embassy in Paris reported that their British counterparts shared this view and the Embassy in London stated that the Foreign Office also believed the time had come for the United States and the United Kingdom to act. (Telegrams 4250 and 4264 from Paris, May 7, 762.022/5-754; telegram 4965 from London, May 7, 762.022/5-754; and telegrams 3415 and 3437 from Bonn, May 7 and 8, 762.022/5-754 and 5-854)

No. 684

762.022/5-1054: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET PRIORITY BONN, May 10, 1954—7 p.m.

3452. Re: Department's 5905 May 6 to London repeated Bonn 3113 Paris 3970 Geneva 706 and Department's 5962 May 8 to London repeated Bonn 3129 Paris 4000. [2]

Following meeting with Hoyer Millar this morning who urged Chancellor on Saturday (when calling on him with Butler [3]) to accept Schumann procedure in specifying acceptable and unacceptable articles van Naters' plan, I have made representations in similar sense. Blankenhorn called on me at Hallstein's request because Chancellor unavailable. I requested him to inform Chancellor that we fully supported British position in urging that Franco-German Saar discussions (a) proceed definitely on basis van Naters' revised plan, [4] (b) that Hallstein-Schumann negotiations concentrate on reduction of disagreed articles and I added (c) that British and we very much hoped that Hallstein-Schumann meeting beginning tomorrow in Paris would not be perfunctory and would last long enough for them to obtain maximum possible agreement.

Blankenhorn replied that he thought the Chancellor's intentions were in entire accord with Hoyer Millar's and my representations.

[1] Repeated to Paris, London, and Geneva.

[2] Telegram 5905, *supra*. Telegram 5962 suggested that a working group consisting of representatives from Bonn and Paris be established at Paris to expedite the development of an updated joint U.S.-U.K. brief on the Saar. (762.022/5-754)

[3] Richard A. Butler, British Chancellor of the Exchequer.

[4] Regarding van Naters' report on the Saar, see Document 640.

Hoyer Millar was still without instructions regarding proposed Paris working group but agreed that our Saar experts should prepare at once joint British-US High Commission draft for use in Paris. This being done today. I believe we are in close accord.

Subsequently, Hoyer Millar has talked with London and was informed the British could not meet in Paris before Wednesday. We are therefore proceeding on that basis and I am sending Lampson and the British McKenzie-Johnson and possibly Jackling [5] (economic) or an officer from British delegation in Geneva.

CONANT

[5] Edward T. Lampson, Political Officer at HICOG, and Henry B. McKenzie-Johnson, Political Officer, and Roger W. Jackling, Economic and Financial Adviser, British HICOG.

No. 685

Editorial Note

On May 11 and 14, Schumann and Hallstein discussed the question of the Saar at Paris. At the first meeting, Hallstein transmitted a letter to Schumann which stated that the Germans accepted the van Naters report with the exception of Article 19 (guarantee of the settlement). A report on the meeting was transmitted in telegram 4326 from Paris (762.022/5–1154), while the text of the letter was transmitted in telegram 3458 from Bonn, May 11 (762.022/5–1154). At the meeting on May 14, which the Embassy in Paris described as encouraging, further progress was made and Hallstein and Schumann agreed to hold further discussions at Strasbourg the following week during the meeting of the Council of Europe. (Telegram 3493 from Paris, May 16, 762.022/5–1654)

In between these two meetings, the United States–United Kingdom working group on the Saar held two meetings in Paris under the chairmanship of British Minister Riley and agreed on the texts of three documents. The first was an explanatory memorandum giving the reasons for arriving at a Saar settlement; the second was a revised U.S.–U.K. brief on the Saar; and the third was an interpretive protocol on Article 12 of the van Naters report. Texts of the first and third documents were transmitted in telegrams 4362 and 4363 from Paris, May 14, 762.022/5–1454. A report on the work of the working group was transmitted in telegram 4361 from Paris, May 14. (762.022/5–1454)

No. 686

850.33/5–1954: Telegram

The Acting United States Representative to the European Coal and Steel Community (Tomlinson) to the Department of State [1]

SECRET NIACT PARIS, May 19, 1954—6 p.m.

Coled 246. Herewith repeat of Strasbourg telegram sent niact Paris 48, May 19, noon.

"Following from Bruce Mission: Subject is Saar:

"1. Franco-German negotiations on Saar opened last night with talk between Teitgen, Adenauer and Hallstein following Chancellor's dinner for Council of Ministers. Talks will continue today at lunch to which Spaak [2] has invited Teitgen, Adenauer, Hallstein, Gerstenmaier, Monnet, Brentano, Guy Mollet and van der Goes van Naters. Further bilateral talks may follow this afternoon.

"2. Both sides say they are ready and anxious to reach agreement there. Teitgen vigorously denied to van der Goes that French Government exclusively interested in Indochina. He insisted French anxious remove 'preambles' especially Saar, so that EDC debate can be held. He says Cabinet authorized him to negotiate on Saar and he appears to have been fully briefed. Germans say Chancellor also anxious to conclude on this question despite his worries about situation within coalition. Spaak told us yesterday he intended to ask both Chancellor and Teitgen to confirm at today's lunch if they are prepared to settle here and now.

"3. At last night's meeting Germans presented slightly modified version van der Goes proposal (Paris Embtel 4394 re Article 1 [3]) on tie between Europeanization of Saar and political community. Germans say Teitgen appeared favorable and believe he will confirm acceptance today. Germans also presented proposal on economic problem based on Maurice Schumann's oral suggestion last week (Embtel 4394); Teitgen will study and reply today. Economic problem will probably be main subject at Spaak's lunch. Signed Andrews."[4]

TOMLINSON

---

[1] Repeated to London and Bonn.

[2] Paul-Henri Spaak, former Belgian Prime Minister and member of the Council of Europe.

[3] Telegram 4394 is not printed. The van Naters proposal outlined three steps for the organization of the Saar as a European territory. (762.022/5–1654)

[4] George D. Andrews, Consul at Strasbourg.

No. 687

762.022/5–2054: Telegram

The Acting United States Representative to the European Coal and Steel Community (Tomlinson) to the Department of State [1]

SECRET NIACT PARIS, May 20, 1954—noon.

Coled 247. Re Coled 246, rptd London 1052, Bonn 848. [2] This message will confirm telephone conversation with Fisher. [3] Department pass Bruce.

1. Decisive moment appears to have arrived for Saar settlement. Determining factor is whether or not French Government wishes to conclude at this time. If so, an agreement within two days appears almost certain. If not, risk is any settlement will be postponed indefinitely.

2. Saar talks have been taken out of bilateral framework and now under effective mediation of Spaak and van der Goes van Naters. Two meetings were held yesterday in Strasbourg on Spaak's initiative which included Teitgen, Chancellor and other Germans, Spaak and Naters and intermittently Monnet. Second meeting lasted from 9 pm yesterday to one o'clock this morning. Spaak and Naters were asked to draft possible agreement covering all points for presentation at new meeting 4 pm this afternoon.

3. Yesterday's talks apparently reached agreement in substance on all issues except economic. Our information is that both sides agreed to Europeanization in three steps as proposed by Naters last week (Paris Embtel 4394 [4]) with language modifications to suit both sides; Article 7 on Saar representation will stay as is; second and third sentences of Article 19 will be deleted; and dependence of settlement on defense community will be expressed separately from main agreement.

4. Economic issue remains major substantive problem. Germans prepared to accept with little change Maurice Schumann's proposal of last week (Embtel 4394 [5]). However Grandval and Seydoux have apparently persuaded Schumann to repudiate his offer of words "corresponding relations" and Seydoux told Germans yesterday French would not budge on this point. Naters reports Teitgen per-

---

[1] Repeated to London and Bonn.

[2] *Supra.*

[3] This conversation has not been identified further.

[4] Not printed. (762.022/5–1654)

[5] Schumann's proposal involved the drafting of an economic convention between France and the Saar to replace the Franco-Saar union and corresponding relations between the Saar and the Federal Republic would be established as far as they were compatible with the Franco-Saar convention. (762.022/5–1654)

sonally ready to accept these "two little words" if they are more closely defined, but activities of Quai d'Orsay officials, as reported to US, appear designed to prevent agreement on this basis. Spaak and Naters have supported several alternative formulas and believe that matter can be settled if French decide to conclude agreement at this time.

5. Major question is no longer substance but whether both sides now ready to conclude and sign. Germans assured meeting and Hallstein reiterated to us that they are ready and anxious to finish this negotiation and sign an agreement. Chancellor will not leave Strasbourg today as he planned but will stay on until there is agreement or until it is clear no agreement can be reached. He has also taken precaution of involving Brentano and Gerstenmaier, his two leading parliamentary supporters, in all negotiations. But Germans make no secret that they see little use in continuing negotiations if French refuse this chance for settlement.

6. French attitude seems less certain. On his arrival in Strasbourg Teitgen was full of confidence. He told Adenauer and Brentano that cabinet had authorized him to negotiate. He also assured meeting that French Government intended provoke parliamentary decision on EDC debate on June 1, two days after Socialist Congress. Seydoux on other hand, let it be known to Germans and Saarlanders that situation in Paris made this no time to take definite position on Saar problem, and gave impression FonOff did not expect any serious results from Strasbourg talks. By end of yesterday, Teitgen seemed more doubtful that he had authority to conclude. Nobody in Strasbourg seems to know what Bidault's views are and what may have happened at talk this subject last weekend between Bidault and Maurice Schumann.

7. At conclusion meeting early this morning it was agreed Teitgen should ask Maurice Schumann to come to Strasbourg today to attend this afternoon's meeting. Hallstein later told us Germans would have to consider answer this request as a test of whether French prepared to come to any agreement this time. Hallstein specifically asked us intervene in Paris if necessary to persuade French that Schumann must make this trip.

TOMLINSON

No. 688

762.022/5–2154: Telegram

The Acting United States Representative to the European Coal and Steel Community (Tomlinson) to the Department of State [1]

SECRET NIACT PARIS, May 21, 1954—9 a.m.

Coled 249. Following is repeat of Strasbourg telegram sent Paris 51, May 20, 9 p.m.

"From Bruce Mission. Following is text of draft Franco-German agreement on Saar presented at this afternoon's meeting on Saar question referred to in Coled 247 to Department. [2]

Begin text: Government of Federal Republic of Germany and Government of French Republic, desirous of facilitating policy of European integration, are agreed on settlement of Saar question on basis of proposals contained in report of General Affairs Committee of Consultative Assembly of Council of Europe dated September 25, 1953. [3]

The two governments interpret as follows Articles 1, 12 and 19 of above-mentioned report:

Article 1. Final objective of proposed solution is to make Saar a European territory. This objective will be achieved in three stages. (First two stages bring only political solution to problem.)

First stage. A European Commissioner for Saar shall be appointed by Committee of Ministers of Council of Europe.

Majority necessary for his election shall be required include votes of France and Germany. Commissioner shall defend interests of Saar with respect to foreign policy and defense; he shall ensure respect and fulfillment of all provisions of statute which fall within his competence. He shall be responsible to Committee of Ministers of Council of Europe.

Second stage. Upon election by direct universal suffrage of a European Assembly, European Commissioner for Saar shall be responsible to that assembly in accordance with procedures that remain to be determined.

Third stage. Following creation of European Political Community, as is provided in communiqué issued by Ministers in Luxembourg on September 10, 1952 [4] Saar territory shall be European territory.

European Commissioner for Saar shall then be responsible to legislative assemblies of political community.

At no time and under no pretext can the stage reached under process described above be placed in question. Each stage reached shall be irrevocable.

---

[1] Repeated to Bonn, London, and Geneva.

[2] *Supra.*

[3] See Document 640.

[4] The Council of Europe met at Luxembourg in September 1952.

Article 12. (A) Principles upon which Franco-Saar union are currently based shall be incorporated in an economic cooperation convention concluded between France and Saar.

(B) In the economic field, the objective to be achieved as regards Germany and Saar is to create relations similar to those existing between France and Saar. However, such objective can only be achieved progressively, with all measures of safeguard being taken to ensure that fulfillment of Franco-Saar economic cooperation, referred to in preceding paragraph, is never jeopardized. At no time may progressive broadening of economic relations between Germany and Saar lead to re-establishment of customs division between France and Saar.

(C) In immediate future, the measures that will be adopted to increase trade between Germany and Saar may not seriously affect French balance of payments.

Article 19. Government of Federal Republic of Germany and Government of French Republic undertake commitment to support and guarantee European statute of Saar pending conclusion of peace treaty or settlement in lieu thereof.

Together they shall ask the Governments of United Kingdom and United States to undertake an identical commitment.

Government of French Republic reserves right to ask Governments of United Kingdom and United States to propose and support solution currently agreed in settlement of Saar question upon occasion of negotiations in peace treaty or settlement in lieu thereof. Saar population shall be consulted in conformity with provisions stipulated in Articles 22 and 23 of report made by General Affairs Committee to Consultative Assembly of Council of Europe of September 25, 1953. Saar shall become seat of certain European institutions.

Government of Federal Republic of Germany and Government of French Republic accept all other provisions contained in report of September 25, 1953 of General Affairs Committee of Consultative Assembly of Council of Europe on proposals defining European statute of Saar. They agreed to carry out those provisions unless, in course of future talks, they arrive by common agreement at better formula than that proposed in above-mentioned report as concerns one or other of its points. [5] *End text.* Signed Andrews."

TOMLINSON

[5] The French text of the agreement was transmitted in Coled 251 from Paris, May 21. (762.022/5–2154)

No. 689

762.022/5–2354: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

SECRET PRIORITY PARIS, May 23, 1954—7 p.m.

4500. Re Embtel 4498. [2] I talked to Maurice Schumann briefly yesterday afternoon regarding the Saar. He had just finished a long talk with Teitgen. He said that while the negotiations at Strasbourg had marked a real advance, the Strasbourg draft (Coled 251 [3]) could not be considered final. He pointed out two or three problems in the draft. First, in Article 12, paragraph C, the Strasbourg draft provides that German trade with the Saar should not be such as to upset the French balance of payments. Schumann pointed out that it had always been understood that what was not to be upset was the French balance of payments with Germany. Strasbourg draft apparently applies only to over-all French balance of payments which are very large and which naturally could not be materially affected by any amount of German trade with the Saar. Secondly, he had some objections to the wording of the paragraph regarding the powers of the European commissioner who, according to the Strasbourg draft, would have the right to regulate all the clauses of the Saar statute. This he felt gave too much authority to the European commissioner and took away all rights from the Saar Government. He said this language went much further than anything which had previously been proposed. He then pointed out that the guarantee provisions in Article 19 of the Strasbourg draft did not seem to coincide with new Article 1. He indicated that the draft for Article 19 states that the guarantee would cover the European status of the Saar whereas Article 1 says that the European status does not begin until the creation of the EPC. Thus the guarantee would not seem to apply to the first two stages which are the two most important stages in the eyes of the French. Schumann said that he made these observations just to point out why the Strasbourg draft text needed improving. He said that he would speak to me further on Monday or Tuesday when he had had the time really to study the matter closely. He also said that agreement should not be finally reached on the Saar until immediately

---

[1] Repeated to London, Bonn, Strasbourg, and Geneva.

[2] Telegram 4498 reported that the timing of the release of the agreement on the Saar was dependent on the political situation in France and until the French Socialist Party Congress on May 31 was held, the Quai d'Orsay would have to continue to deny that an agreement had been reached. (762.022/5–2254)

[3] Coled 251 transmitted the French text of the Strasbourg draft. (762.022/5–2154) For the English text of the draft, see Coled 249, *supra*.

after the Socialist Party Congress. If agreement was reached sooner and became public he was very afraid that it would not be accepted by the French Cabinet. However, if the Socialist Party Congress took a favorable decision on EDC he felt sure that the present French Cabinet would then accept a Saar settlement and proceed to debate the EDC.

While I pointed out the great importance we attach to a Saar settlement now and that this is the crucial test of French intentions (to which Schumann agreed) I did not express my views on the points he raised.

Study of his remarks and Strasbourg text give rise to following observations:

(1) Paragraph C Article 12. We do not believe this should be a serious substantive point and note that Strasbourg language departs from original Van Naters English text (Article 12 paragraph 3). Hope Schumann will be able obtain German concurrence to clarification this point along lines original Van Naters text. HICOG's views this point would be appreciated. (In this connection we have just noted error in translation Article 12 paragraph 3 Council of Europe document AS 225 [4] which sets forth Van Naters report as approved April 26. French text speaks of French or German balance of payments whereas English text speaks of French German balance, etc.)

(2) Re powers of European commissioner. While it is again true that Strasbourg text departs from Van Naters language it nevertheless is decidedly better from French point of view than language suggested by Germans earlier (see Dulte 44 to Department repeated Bonn 46 [5]). Strasbourg text does not mention "regulation" but uses milder language veille a l'observation et a l'execution of the statute. I am not clear how serious the point is, but will urge Schumann to accept this language as a concession.

(3) Article 19. This appears on the surface to be a case of poor drafting. I would assume that it was the intention of all concerned at Strasbourg that guarantees would apply to all three stages as outlined in new paragraph 1, and not just to stage 3. If in fact this is the case there should be no problem in making necessary technical changes to clarify the language. For instance if guarantee read to cover "the provisions of this agreement" all would be solved. This problem can only become serious if in fact Germans intended guarantees only to apply to stage 3. Then it would be most serious as it would strike at roots of French insistence that settlement be definitive. HICOG's comments requested on this point.

Copy this message being given Jebb who has had similar conversation with Schumann and is I believe generally in agreement, but who may be commenting separately.

DILLON

---

[4] Not found in Department of State files.

[5] Document 680.

No. 690

762.022/5–2454: Telegram

The United States Representative to the European Coal and Steel Community (Bruce) to the Department of State [1]

SECRET NIACT PARIS, May 24, 1954—4 p.m.

Coled 258. Re Embtel 4500. [2]

1. According to Alphand, Maurice Schumann has not yet discussed with Teitgen the three objections to *ad referendum* agreement on Saar mentioned reftel. Alphand sent note to Teitgen this morning emphasizing risks involved in giving Germany any opportunity to repoen negotiations and arguing against three objections on following grounds:

(a) Problem of balance of payments is minimal in any case. Furthermore French already have adequate guarantees against undesirable increase in trade because French can use their veto to interpret "gravely" as they wish and because maintenance Franco-Saar economic and currency union on present basis is made governing factor. Moreover, if language "French-German balance of payments" is used, French wld not be covered for increased trade that might be paid for in currencies other than French francs or Deutsche marks.

(b) Language on powers of European Commissioner does not, contrary to Schumann's view, take any powers away from Saar Govt and give them to the Commissioner. (Article II of General Affairs Committee resolution remains intact.)

(c) Article 19 refers to European statute (i.e. document to be signed and ratified by interested countries) and not to status of Saar as European territory. U.S. and U.K. guarantee therefore covers all stages of Europeanization mentioned in Article 1 of agreement.

2. According to Alphand, Maurice Schumann is closeted this morning with Grandval and Quai d'Orsay advisers. Mtg is scheduled with Teitgen this afternoon. *Combat* carries vicious editorial this morning on Teitgen's efforts in Strasbourg and concludes:

"But Mr. Grandval, our High Commissioner in Saarbrucken, has made no secret to Mr. Laniel and Mr. Bidault that he will not stand idly by while the Franco-Saar economic bloc is destroyed and a policy followed for nine years by successive French Govts is reversed."

---

[1] Repeated to London, Bonn, and Geneva.

[2] *Supra.*

3. No reference should be made to Alphand's role in this matter in any context.

BRUCE

No. 691

762.022/5-2554: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET NIACT BONN, May 25, 1954—5 p.m.

3661. Paris pass Bruce. Blankenhorn informed us this morning that Berard brought Sauvagnargues to call on Chancellor last night with message from Laniel requesting that German Cabinet action on Strasbourg agreement regarding Saar [2] be postponed until after May 30.

Sauvagnargues went on to say that Schumann was prepared to accept general lines of Strasbourg agreement, but that French would have several proposals for modifications. Of these, only changes he was in position to present to Germans at present were as follows:

(1) Replace first sentence of Art 1 by following: "Le statut europeen de la Saar n'est define de la facon suivante." There would, Sauvagnargues added, also be some revision of the language describing the three phases.
(2) Regarding Art 12(B), replace words "Sous reserve de l'article 13" by "Dans le domaine des echanges" and add to second phrase "comprenu de l'evolution economique europeenne." In fourth sentence, insert "L'interet de la Saar."
(3) Regarding Art 12(C), replace word "immediat" by "immediatement," and replace rest of sentence by third sentence of paragraph 8 of Schumann memo of March 8. [3]

Chancellor said he would have to study French request, whereupon Berard asked for German acceptance of other revisions set forth in enclosure to Schumann's letter of May 6. [4] Chancellor said he could not accept these, pointing out that to reopen Strasbourg agreement in this manner could only lead to requests for revisions from German side also. He went on to say, however, that rather than attempt refinement of agreement now, German Govt would

---

[1] Repeated to Paris and London.
[2] Transmitted in Coled 249, Document 688.
[3] The text of this memorandum was transmitted in telegram 3278 from Paris, Mar. 9. (762.022/3-954)
[4] The text of the letter and the enclosure were transmitted in telegrams 4281 and 4282 from Paris, May 8. (762.022/5-854)

be prepared, once EDC is ratified, to discuss with French, even prior to European conference on Saar, any suggestions which latter might wish to raise which would make van Naters plan more precise.

Blankenhorn said Chancellor was disturbed by this French move, which he interpreted as Quai d'Orsay's first step in moving away from Strasbourg agreement in order to prolong Saar negotiations as pretext for further postponement of EDC debate. Chancellor felt he could not accept changes in agreement as set forth above, and while he had decided reluctantly to wait until after May 30 to bring agreement to his cabinet, he could go no further in meeting new French demands.

We believe this decision absolutely correct and suggest Dept consider advisability informing French of our inability to support their efforts to reopen negotiations.

Chancellor negotiated a formal written agreement with representative of France whom he understood to have full powers to negotiate *ad referendum.*

This agreement reached in presence of (and in close association with) two representatives of neutrals, Spaak and van Naters. New French approach to Germans is at too low a level and it seems advisable any further discussion should be with participation of Spaak and van Naters or raised to level Bidault–Adenauer.

CONANT

No. 692

762.022/5–2654: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

SECRET PRIORITY PARIS, May 26, 1954—8 p.m.

4554. From Dillon and Bruce. Re Deptel 4245. [2] Foll are our joint views on Conant's recommendations (Bonn's 3661 to Dept [3]) in light latest developments:

1. We agree with Conant's views that U.S. Govt shld support Chancellor's efforts to prevent any reopening of French-German negots on Saar. We also agree that discussions on how best to obtain final approval of Saar agreement shld be handled by Ade-

---

[1] Repeated to London and Bonn.

[2] Telegram 4245 stated that the developments reported in telegram 3661 (*supra*) were extremely disturbing and asked for Dillon's and Bruce's comments. (762.022/5–2554)

[3] *Supra.*

nauer directly with either Laniel, Bidault or Teitgen, using if desirable, continued help of mediation by Spaak and van der Naters.

2. Teitgen undertook in Strasbourg to put agreement thru French Cabinet without change. So far as we know, he is holding to this undertaking and may be unaware of changes proposed by Sauvagnargues and intentions of Quai d'Orsay to submit proposals for additl changes. Saar question was raised at French Cabinet mtg today and Teitgen had discussion and action postponed for one week in return for pledge to discuss matter thoroughly in Cabinet mtg next week.

3. So long as Teitgen continues to believe he can fulfill his undertaking we shld continue to follow Spaak's suggestion (Coled 259 [4]) and treat question of obtaining French approval of Teitgen's *ad referendum* agreement as a French internal question. Ophuels on instructions of Chancellor is trying to see Teitgen today or tomorrow with regard to Sauvagnargues' *démarche*. We suggest waiting until Teitgen's views have been ascertained before making a decision on character and timing of U.S. representations if such shld appear necessary. [5]

DILLON

[4] Not printed. (762.022/5–2454)

[5] On May 27 the Embassy in Paris reported that the text of the Strasbourg agreement had been published in *Le Monde* and that since the French Government had consistently denied that there was an agreement, it would now be considerably more difficult to get Cabinet approval without changes. (Telegram 4564, 762.022/5–2754) On the following day Bruce reported that Ophuels had talked with Teitgen who had proposed a whole new set of changes in the agreement, changes that were different from those presented previously by the French. (Coled 261 from Paris, 762.022/5–2854)

No. 693

762.022/6–654: Telegram

The Under Secretary of State (Smith) to the Department of State [1]

SECRET PRIORITY GENEVA, June 6, 1954—11 a.m.

Secto 392. Limited distribution. Reference: Tedul 156 (Paris 4411, Bonn 3418, London 6570). [2] In conversation with Bidault yesterday

[1] Repeated to London, Bonn, and Paris.

[2] Tedul 156 reported that Teitgen planned to meet Bidault on June 6 in Geneva and that Bidault might then see Adenauer on the following day. Smith was instructed to tell Bidault, if an appropriate occasion arose, that the United States considered the Saar agreement the best that could be obtained and that the United States believed that a final agreement should be achieved quickly. (762.022/6–454)

I observed that in opinion my government Saar agreement [3] reached at Strasbourg between Teitgen and Adenauer probably best that could be obtained, adding we believe it most important that final agreement be achieved soonest and solicited his views. Bidault stated categorically he did not believe that Strasbourg agreement was best obtainable adding he felt pressures he was receiving from Paris to see Adenauer Monday were "madness" which might well cause downfall French Government. He did not feel that Saar issue should be raised until after Indochinese debate in Parliament had been terminated. He connected Saar and EDC questions very closely and added that French Parliament could not swallow too much (Indochina, Saar, and EDC) at one time. He, Laniel and Pleven, had too many enemies on all these issues to make it wise to present them to government in quick order. He felt it preferable to stagger them in order to divide opponents. He said after reflection he would advise me his best estimate on timing.

He said many of his colleagues and friends were showering him with messages pressing for a Saar settlement in two or three days, which he knew was impossible. I replied that the US was not pressing to this extent, but that we had pressed the Germans very hard as we were acutely aware of the importance of an early settlement. I sincerely hoped that our French friends, who were very good traders, would not let their desire to obtain the best possible bargain obscure the vital matter of timing, particularly in relation to EDC, for which Bidault had fought so courageously and skillfully.

He indicated he would be willing for Laniel to introduce three issues as a package only on understanding that if Parliament voted against them, M Laniel would agree to dissolution Parliament. Bidault seemed quite confident on results new elections being of opinion his party would gain more than 50 seats in Parliament, but he remarked that some of these would probably be at "the expense of Mr. Laniel". He spoke in very complimentary way of Laniel, for whom he seems to have considerable regard.

SMITH

[3] Transmitted in Coled 249, Document 688.

No. 694

Editorial Note

On June 12 the Laniel government was defeated in a vote on Indochina. Five days later Pierre Mendès-France formed a new government devoted to solving three questions: 1) Indochina, 2) Tu-

nisia, and 3) the EDC. Thus the question of the Saar became a secondary issue for the French and no further progress was made toward settlement. On August 30 the French National Assembly voted to discontinue debate on the EDC, a step which meant that the whole settlement signed May 26 and 27, 1952, at Bonn and Paris would not come into existence. The negotiations that followed during the Nine- and Four-Power Conferences at London and Paris during the end of September and October provided for the integration of the Federal Republic of Germany into Europe and for an end to the occupation regime. Among the series of agreements signed at Paris on October 23, 1954, was a Franco-German accord on the Saar and a set of accompanying letters between Chancellor Adenauer and Prime Minister Mendès-France, which called for the Europeanization of the Saar along the lines of the Teitgen–Adenauer agreement reached at Strasbourg and a referendum on a Saar Statute to be held in 1955. For text of the agreement, see *Agreement between the Government of the Federal Republic of Germany and the Government of the French Republic on the Saar Statute, Paris, October 23, 1954*, London, 1954, Cmd. 9306, Misc. No. 33, or *Documents* (R.I.I.A.) for 1954, pages 116–118. The German texts of the agreement and the letters were transmitted as an enclosure to despatch 910 from Bonn, October 27. (762.022/10–2754) For documentation on the discussion of the Saar during the meetings at London and Paris and on the differing interpretations of the agreement that followed signature, see volume V, Part 2, pages 1294 ff.

VII. POLICY OF THE UNITED STATES WITH RESPECT TO THE GERMAN DEMOCRATIC REPUBLIC [1]

REPORTS BY UNITED STATES MISSIONS IN GERMANY ON THE REACTION IN THE GERMAN DEMOCRATIC REPUBLIC TO THE NEGOTIATION AND SIGNING OF THE CONTRACTUAL AGREEMENTS; THE SECOND CONFERENCE OF THE SOCIALIST UNITY PARTY OF GERMANY, JULY 9-12, 1952; THE DECLARATION OF THE "NEW COURSE" IN THE GERMAN DEMOCRATIC REPUBLIC, JUNE 11, 1953; THE JUNE DISTURBANCES; THE FOOD RELIEF PROGRAM; THE SOVIET DECLARATION OF SOVEREIGNTY FOR THE GERMAN DEMOCRATIC REPUBLIC, MARCH 25, 1954; THE FOURTH CONGRESS OF THE SOCIALIST UNITY PARTY OF GERMANY, MARCH 30–APRIL 6, 1954; SUBSEQUENT IMPLEMENTATION OF UNITED STATES POLICY TOWARD THE GERMAN DEMOCRATIC REPUBLIC

No. 695

762B.00/5–1452: Despatch

The Director of the Berlin Element, HICOG (Lyon) to the Department of State

SECRET BERLIN, May 14, 1952.

No. 883

Subject: Summary of Recent Evidence on Soviet Program for East Zone

Considerable evidence has appeared lately which appears to indicate Soviet preparations for further isolation of the East Zone (as well as of Berlin, and including harassments thereto), and for a higher degree of militarization within the Zone. It is probably too early to conclude that the Soviets have given up all hope of preventing ratification of the contractuals, or of eventually reaching a "satisfactory" (to them) agreement on German reunification. On the contrary, continuation of the campaign against Western integration is anticipated, and further proposals from the Soviets considered not unlikely. If either of these efforts prove fruitful, the trend may be reversed. But it does seem that a pattern of isolation and militarization is now taking shape, which presumably has a dual purpose: First, building up pressure behind the unity and

[1] For previous documentation on this subject, see *Foreign Relations*, 1951, vol. III, Part 2, pp. 1987 ff.

peace treaty campaign and against the contractuals, by trying to convince the German people that their country will otherwise be split indefinitely and the East Zone be turned into a full-fledged satellite; in which connection scare tactics are now to be emphasized more than blandishments. And second, constituting preliminary steps toward actually carrying out the program threatened, in the event no agreement is reached between the Soviets and the Western powers, and if the contractual agreements and European Defense Community cannot be prevented.

A summary of recent items follows: Some are factual, others cannot be evaluated and may be only rumor, but their cumulation probably has significance.

A. Indications of Preparations to Further Isolate the East Zone from the West and from Berlin, and to Harass the Latter.

1. Repeated claims (apparently considerably distorted) in the East press that the Western powers are turning interzonal borders into international borders.

2. East Zone official statement on arrest of 15 U.S. agents for sabotage and spying.

3. East Zone press release calling attention to dangerous smuggling bands taking goods into West Berlin.

4. Reorganization of the East Zone Border Police, involving attachment of a "K" type investigator to each unit on Commando level, instead of centrally as previously. This allows investigations to be made on the spot at points in the ring around Berlin. (Intelligence report)

5. Construction shacks being erected near the Elbe Autobahn bridge; apparent preparation for some type of work there. (Intelligence report)

6. Threats carried in Ulbricht's press conference of May 12. (EAD Despatch No. 885 of May 14, 1952 contains analysis. [2])

7. Replacement of Steinhoff by Stoph as DDR Minister of Interior. Latter has reputation of being one of SED top hierarchy, has been most closely connected with *Volkspolizei* matters.

8. Markgraf (former Berlin Police Chief) put in charge of highway, bridge, etc., security. (Intelligence report) (See B4)

9. Ulbricht's and others' statements to effect that the DDR must not allow the great achievements won under the Communist regime to be lost.

10. *Pravda* editorial reference to DDR "appearing in the camp of peace and democracy".

---

[2] Ulbricht's threats toward the Federal Republic of Germany and West Berlin were made in anticipation of the signing of the contractual agreements. (662.001/5–1452)

11. One Air France plane shot at on April 29, another accused of violating the air corridor on May 8.

12. U.S. Military Police cars not allowed to patrol the autobahn between Berlin and Helmstedt.

13. Reported closing of two West Berlin railroad stations by Soviets.

B. Indications of Higher Degree of Militarization in the East Zone.

1. Statement by Pieck on May 1 that the DDR must have its own defense forces if the contractual agreement cannot be prevented; repetition of this theme since.

2. Eighth of May statements by Grotewohl and SED Central Committee: The former said that contractuals would make a Korea of Germany; the latter declared the readiness and ability of East Germany to fight for protection of the homeland.

3. More intensive recruitment for HVA police in the East Zone. (Intelligence report)

4. Staimer (no qualifications except military) being put in charge of railroads in East Zone. (Intelligence report) (See A8)

5. Rumors that DDR preparing to openly acknowledge the military character of East Zone police (HVA), and that plans for establishing a Ministry of Defense already exist. (Intelligence report)

6. Report that Soviet officers attached to HVA units were recently called to a conference at Karlshorst. (Intelligence report)

7. Numerous reports of unusually heavy movements of armed Vopos. (Intelligence sources)

8. Reports of establishment of pre-military training in DDR. (West press report)

9. *Pravda,* only recently, has allowed a few guarded references to East German armed forces to creep into print.

10. Report that DDR ordering motorized equipment for troops—e.g., 3,700 trucks.

For the Director:
N. SPENCER BARNES
Chief
Eastern Affairs Division

No. 696

762B.091/5–1652: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, May 16, 1952—8 a.m.

1113. From EAD. Commie campaign vs alleged Western agent activity in GDR reached new climax with East press announcement May 15 GDR Supreme Court had sentenced two defendants to life imprisonment, two others to sentences totaling 25 years for "terrorist" activities (distribution leaflets, incendiaries, stink bombs) in Fr sector and on sector boundary. Announcement stressed that:

(1) These first sentences imposed by GDR Supreme Court under law for protection peace since it was passed Dec 1950;
(2) Peace law invoked with "murder by Adenauer-police in Essen" in mind;
(3) US, Fr secret services, "Kampf Gruppe", and SPD "Freiheitsbund" on trial as well, as men behind defendants. For this reason, two given life imprisonment under art 6 peace law which provides life or death sentence "if act committed on direct instruction of State, its office or agency, which carries on war incitement or aggressive policy vs peaceful peoples."

Comment:

Notorious law for protection peace invoked defensively to justify upcoming establishment of armed forces, and offensively as further threat vs West Berlin. In latter connection, significant to note court tried defendants for acts committed in Fr sector outside GDR jurisdiction, under art 10 of peace law which provides that "GDR Supreme Court also granted jurisdiction if act committed by Ger citizen not in area of GDR; also if culprit has no residence or regular domicile in area of GDR."

Invocation of this law considered particularly significant now in relation to anticipated moves to tighten zonal and sector borders. Laws so broad that anyone at anytime cld be accused under its provisions; and accepted interpretation of law has been that its stated application to "Ger citizens" means not only citizens of GDR but all Gers. Now comes first imposition of severe court sentence based on gen theory that GDR laws can be applicable to acts committed outside GDR. Thus recent sentence gives vivid warning that any Ger from West Zone or West Berlin venturing into East Zone or sector risks death or life imprisonment on trumped-up charge.

---

[1] Repeated to Washington, London, Paris, and Moscow. The source text is the copy in Department of State files.

Such methods can easily be more effective in insulating borders than cld any physical control of border-crossers.

LYON

No. 697

762B.00/5-2352: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, May 23, 1952—5 p.m.

1160. From EAD. Roundup of opinion and evidence available in Berlin on probable Sov-GDR actions within short period immediately following signature of contractuals indicates that measures most generally anticipated include:

(a) Some definite reaction, but not accompanied by moves likely to provoke war.
(b) Further isolation of East Zone population from West Zone and sector. Tighter internal party control in Sov Zone.
(c) Intensified harassment of Berlin, probably short of full dress blockade; emphasis on moves designed to affect morale and econ viability.
(d) Change in status of GDR vis-à-vis USSR and satellites, in direction of more ostensible sovereignty and including expanded "rights" of control over transport and communication. Possible claim Potsdam Agreement been invalidated, and possible inclusion of SED in Cominform.
(e) Stepped-up "scare campaign" addressed to all Germany.
(f) Probable refusal of Sovs to negotiate with West on basis of preconditions acceptable to latter.
(g) Large-scale demonstrations and riots in Berlin, involving forceful penetration into West sector.

Comment: In assessing above, believe following background factors shld be kept particularly in mind:

(1) General admission that even top SED–GDR leadership never certain what tactics Kremlin may use; represents a constant which qualifies even best authenticated info from East Zone.
(2) Sov desire to check West Ger integration into Western military complex, preferably through propaganda barrage or secondarily through four-power agreement if terms sufficiently favorable, still appears fundamental. Developments in West Ger, public statements from GDR, plans for conf in Paris on Ger problem in June, all indicate Commies not ready to abandon propaganda approach; and incessant hammering to attract support of West Ger masses,

[1] Repeated to Washington, London, Paris, and Moscow. The source text is the copy in Department of State files.

especially DGB and SPD, continues. At same time last three-power note [2] left door at least ajar for Sovs to try again for four-power talks.

Of anticipated measures listed (a) through (g) above, certain of these might run risk of conflicting too conspicuously with background criteria, unless very gingerly handled. Isolation, Berlin harassment particularly if accompanied by serious violence, and excessive scare campaign, wld make West Gers less susceptible to Sov propaganda line. In consequence, conclusion suggests itself that such measures, if employed, will be carried out gradually and with effort to avoid antagonizing Ger public opinion.

In addition, publicized inclusion of SED in Cominform, with connotation of all-out Sovietization of East Zone, probably not be palatable to West Gers; and irrevocable abrogation of Potsdam Agreement, which fundamentally favorable to Sovs, cld have disadvantages in later negotiations. Similarly, outright reaction of West's hint that four-power talks possible under certain conditions wld appear to fit in less well with major strategy than wld counteroffer.

On other hand, appearance of greater sovereignty for GDR cld hardly be offensive to Gers, nor necessarily restrict Sov moves on international chess board. And some definite reaction seems probable, considering build-up given, while chances of Sovs provoking preventative war at present still appear less than even.

Accordingly, on balance inclined to accord highest degree of probability, among reactions listed above, to (a), first part (d) and intensified but still gradual and continuous implementation of (b) and (c). Do not, however, believe other reactions necessarily precluded.

LYON

[2] The reference is to the tripartite note of May 13, Document 101.

No. 698

762B.00/5-2752: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, May 27, 1952—4 p.m.

1180. From EAD. First action to be taken by GDR Cabinet in answer to signature contractuals, announced with great fanfare

[1] Repeated to Washington, London, Paris, and Moscow. The source text is the copy in Department of State files.

over radio late evening May 26 and published press May 27, consisted of three para decree re "measures on demarkation line between GDR and Western occupation zones of Germany". [2] First para provides for Ministry States Security instituting immed measures to strengthen guarding of demarkation line, in order prevent further penetration of spies, terrorists, etc. into GDR. Second para provides for immediate nullification all measures, regulations, etc. taken in this connection, shld agreement be reached on all-Ger elections. Third para places decree in effect as of May 26.

Decree was introduced and defended by State Secretary Eggerate, who gave lengthy recital of recent evidence on West Ger and Allied attempts spy upon and sabotage installations GDR. References made to recent trials which were obviously staged to produce justifications for measures Commies contemplated taking. They evidently considered such measures hardly defensible solely on grounds of dangers resulting from signature contractuals.

Comment: Decree mentions only West Ger boundary and does not specify what "strengthening" measures or their ramifications will be. Remains be seen what these will be and whether measures will be extended to borders around West Berlin. Radio commentary of Von Schnitzler immed following broadcast of decree indicated that measures contemplated wld demand sacrifices of East Ger people, which suggests possible evacuation of population along demarkation line.

Of interest that both in declaration and second para of decree Commies indicate they will continue unity campaign unabated and any action taken internally will not be of nature which, in their eyes, prohibits or hinders pursuance of Ger unity goal. Repeated accusation that FedRep and Allied auths turning demarkation line into international boundary are probable indication that Commies intend introduce own measures which will in fact make boundary such for West Germans.

LYON

---

[2] A translation of the text of the decree under reference was transmitted in despatch 911 from Berlin, May 29. (862B.181/5–2952)

No. 699

601.6162B/6-552: Despatch

The Director of the Berlin Element, HICOG (Lyon) to the Department of State [1]

CONFIDENTIAL BERLIN, June 5, 1952.

No. 920

Subject: Recall of Soviet Ambassador to the GDR

According to an ADN despatch published in the East Zone press of June 1, 1952, G. M. Pushkin, Soviet Ambassador to the GDR, has been recalled and named Deputy Soviet Foreign Minister. Ivan Iljetschev, according to the same report, has been named as Pushkin's successor to the post of Ambassador to the GDR.

As between Pushkin and Semeonov, Political Advisor to General Chuikov with the personal rank of Ambassador, the former has been regarded by some local observers as an exponent of the hard, uncompromising line with regard to Germany, whereas Semeonov has been the advocate of a more compromising policy. The inferences have been that Pushkin favored building up the East Zone into a full-fledged satellite as a basis from which the whole of Germany might some day be won, whereas Semeonov is supposed to have favored the softer approach and to have been willing to sacrifice the SED initially, in order to get a unified Germany which could eventually be captured from within. It has been a moot question as to whether Pushkin or Semeonov exercised the most influence with regard to GDR policy. If there is any truth in the above-described policy views of the two, it would appear that up until April, 1952, Semeonov was the more influential, but that with the inauguration of the more militant, revolutionary line stressing direct action rather than lures, Pushkin's views may have been given the nod over those of Semeonov.

It is difficult on the basis of the scanty information available to this office to hazard with any degree of reliability a guess as to what, if any, particular significance there may be to the recall of Pushkin and his assignment to what on the surface appears to be a responsible position within the Soviet Foreign Office. One can only note, in addition to the alleged but unconfirmed policy views of Pushkin noted above, that his change in position has taken place at a time when: (1) the Soviet Union has recalled its Ambassadors in Washington and London; (2) when changes in the top government structures and polit bureaus in Rumania and Czechoslovakia

[1] Repeated to Bonn, Frankfurt, Heidelberg, Moscow, Paris, and London.

are being carried out; (3) when GDR Minister President Grotewohl has suddenly dropped into the background without explanation; and (4), when the Communist parties of France, Japan and Germany have apparently received orders from the Kremlin to risk their hard cores and prestige in an attempt to bring about a change in government in those countries through revolutionary tactics.

Whether or not Pushkin has been charged with the task of directing from the Kremlin a new German policy is a question which cannot be answered here. In any case all signs point to the fact that the Soviets are intent on integrating the GDR more tightly into the Satellite system; that they may have abandoned their policy of trying to woo the Germans into acceptance of their unity proposals; and that for a time at least they are going to try to achieve their objectives in Germany by shaking the stick and playing upon the fears of the Germans that the U.S. policy of integration will lead to a permanent split of Germany and to war.

In connection with Pushkin's replacement, this office would appreciate receiving any information which Embassy Moscow or the Department may have concerning Ivan Iljetschev, who has assumed the duties of Soviet Ambassador to the GDR. [2]

For the Director:
N. SPENCER BARNES
Chief
Eastern Affairs Division

---

[2] A marginal note on the source text indicates that an airgram was drafted and sent in response to the request for information about Iljetschev on June 19, 1952. No copy of such an airgram, however, has been found in Department of State files.

No. 700

Editorial Note

On June 11 the National Security Council approved NSC 132/1, "United States Policy and Courses of Action To Counter Possible Soviet or Satellite Action Against Berlin." Pending a possible Soviet move toward granting to the German Democratic Republic a "juridical semblance of autonomy", the National Security Council based its policy toward the German Democratic Republic, in the context of its relationship to Berlin, on the assumption that the Soviet Government would continue to consolidate its position in the Eastern Zone. For text of NSC 132/1, see Document 547.

No. 701

762B.00/6-1752: Despatch

The Director of the Berlin Element, HICOG (Lyon) to the Department of State

CONFIDENTIAL BERLIN, June 17, 1952.

No. 946

Reference: Berlin/EAD Despatch No. 883 of May 14, 1952. [1]

Subject: Pattern of Recent Soviet Action Relative to East Zone and West Berlin

Three weeks after signature of the contractual agreements—a date heralded in advance as a possible detonator to intensified pressure on East Germany and Berlin—it may be appropriate to review the visible pattern of Soviet policy toward these areas. This review will carry forward the "Summary of Recent Evidence" contained in the Despatch referenced above.

A tabulation is appended below which lists chronologically some of the more significant actions and official statements emanating from the GDR since April 1. Neither prognostications nor unverified reports are included, but only specific events which seem to point toward a coordinated plan. The events in turn derive a portion of their significance from the background against which they take place—ceaseless repetition of the current Commie line: up with peace and German unity, down with contractuals and western integration.

Conclusions suggested by the tabulation are as follows:

1) Without exception the events listed either act toward, or prepare the ground for, progressive isolation of the Soviet Zone from the Western Zones and West Berlin.

2) Certain of the measures taken, while fulfilling the above criterion, also appear designed to have an adverse effect on the morale and economic viability of West Berlin.

3) Certain other measures indicate an intent to build up GDR armed forces.

4) Actions of the type enumerated became more frequent as signature of the contractuals approached; were considerably intensified just after signature; and have tapered off to some extent since.

5) The cumulative effect of such action to date has been to reduce contacts considerably between East and West Germany, between the East Zone and West Berlin, but not as yet between East and West Sectors of Berlin. It has also created some apprehension regarding the ultimate fate of West Berlin, perhaps had some adverse effect on its economy, largely from psychological causes, but so far not interfered with the city's normal life to any great extent.

---

[1] Document 695.

On the whole it appears that the pattern of Soviet action over the past two months has followed very closely that reported in Berlin/EAD Despatch No. 833 of April 21, 1952, [2] and it is believed that underlying Soviet motivation has been approximately as suggested therein. When considering only the period after signing of the contractuals, reactions have been largely as anticipated in the last paragraph of Berlin tel 1160 to Bonn, 1390 to Department of May 23, 1952. [3] The four reactions considered less likely within a short period have not yet eventuated. Three of the four considered more likely have come to pass, while one of these has not yet taken place.

In looking ahead, it is believed that recent developments have not been such as to change the basic Soviet outlook on Germany; and consequently that the pattern of Soviet action will not change greatly over the next few weeks. That is to say, it still seems probable that the Soviets will continue their campaign to stop the process of Western integration, first through propaganda and efforts to stimulate mass action, and secondarily through attempts to reach a satisfactory (to them) agreement on the international level. And consequently it seems logical that they should continue with a program of isolating the East Zone, of militarization and of harassing West Berlin, but should do so gradually and with an attempt to avoid antagonizing German public opinion to the extent possible. It is true that veiled threats to Berlin still crop up periodically from the East, and there is some evidence of plans to widen the split between its two sectors. At the same time, the calling of a session of the World Peace Council in Berlin for early July, the adverse publicity given to Soviet restrictions affecting the city, and the possibility that four-power talks may eventuate (now apparent from press reports) would all tend to support the view that serious intensification of harassment to Berlin is not very likely in the near future.

For the Director:
N. SPENCER BARNES
Chief
Eastern Affairs Division

---

[2] Despatch 833 contained an estimate of probable Soviet intentions with respect to Berlin, and concluded that the Soviets would wish to perpetuate the *status quo* "until such time as the Soviets feel they have little more to gain by playing up the unity and German nationalism lines", when "sharply intensified efforts to insulate the Soviet Zone from West Berlin" would occur. (662A.62B/4-2152)

[3] Document 697.

Annex I

CONFIDENTIAL [BERLIN, June 17, 1952.]

RECENT EVENTS INDICATIVE OF SOVIET POLICY TOWARD GERMANY [4]

April 16	Ulbricht calls for mass meetings, demonstrations and strikes against the contractual agreements. (Repeated regularly since)
April 20	Substantial numbers of FDJ youth penetrate West Berlin in demonstration. (Some repetition of this tactic since)
April 30	Attack on Air France plane by two Soviet MIGs.
May 1	Pieck calls for creation of East German armed forces. (Need for same repeated and explained consistently since)
May 3	ADN accuses Bonn of turning zonal into international border. (Similar accusations subsequently)
May 7	GDR Supreme Court imposes heavy sentence on alleged spies and saboteurs from West. ADN accuses American and West German agencies of creating black market organizations to operate from GDR to West Berlin.
May 8	US and British MP patrols forbidden use of autobahn.
May 9	Soviets claim new violation of air corridor by French aircraft.
	Appointment of Willi Stoph, formerly connected with procurement for HVA, as GDR Minister of Interior.
	Soviets close down two West Berlin railroad terminals (Anhalter and Stettiner); only one West Berlin station now handles German interzonal passenger traffic.
May 11	Communist riots in Essen.
May 12	Ulbricht's speech threatening West Berlin with reprisals if contractual agreements signed.
May 13	Dresden *Land* court sentenced 13 defendants to total of 65 years penal servitude for illegal sales in West Berlin.

[4] Drafted by Barnes and coordinated with Creel.

A note on the source text indicates that the dates below "are only approximate, in some cases refer to time when information became available."

May 14	Two defendants accused of terror activities given life sentences under the "Law for Protection of the Peace".
May 15	ADN carries alleged letters of protest from East Zone residents, requesting GDR Government to protest zonal border lines.
May 19	Short distance interzonal railroad traffic cut between two points near border.
May 20	Three interzonal check points closed. Freight rates raised in GDR, raising West Zone–West Berlin transport costs.
May 23	Volkskammer passes government enabling act. Soviets close down five more minor interzonal check points, leaving four open.
May 25	GDR Supreme Court imposes death sentence on alleged western agent. East Zone press campaign against RIAS played heavily. (Intensified steadily since) Soviets accuse British aircraft of violating air corridor. (*Signing of Contractual Agreements*)
May 26	GDR Government regulations issued on measures to be taken along demarcation line between zones, to increase safety of border, prevent infiltration of spies, agents, etc. 300 West Berlin railroad workers released by Soviet Zone railroad administration. Order given to construct another by-pass rail line around West Berlin.
May 27	East Berlin Administration splits city telephone system, effects partial cut-off of telegraphic communication from West Berlin to West Zone. Announcement of creation of five-kilometer "No-Man's Land" strip along zonal border. Clarification of regulations to effect that German citizens must carry GDR passes to travel or sojourn in GDR. 4th Parliament of FDJ opens at Leipzig. (Tenor of conference is to emphasize militarization)
May 28	Erection of barriers between West Berlin and Soviet Zone. (Continuous, several days)
June 1	People's Police interfere with travel to and from West Berlin exclaves in East Zone—Steinstuecken, etc.

June 3	East press accuses West Berlin police of taking identity cards from GDR citizens.
June 4	Two small areas separated from East Berlin and joined to Soviet Zone.
	People's Police fire on US MP patrol. (Other border "incidents" being reported periodically)
June 5	Soviets again demand payment for use of Berlin-Frankfurt cable—at $14 million.
June 6	Eviction of German citizens from no-man's land zonal border strip begun. (Continuous since)
June 8	Report of 4½ years prison sentence given to radio shop proprietor in East Berlin who allowed RIAS dance music to be played.
June 12	ADN reacts to West German treatment of Berlin by giving heavy play to KPD members' effort to lay blame for Berlin's difficulties on West.

No. 702

Editorial Note

On July 9 the Second Conference of the Socialist Unity Party of the German Democratic Republic convened in Berlin for four days of meetings. In addition to the documentation presented below on the proceedings at this conference, a complete record of the meetings is contained in *Protokoll der II. Parteikonferenz.* Excerpts of the record are also printed in Ulbricht's *Zu Fragen der Parteiarbeit,* pages 327–357, and *Die Entwicklung des volksdemokratischen Staates,* pages 307–322, as well as in *Dokumente der SED,* volume IV, pages 70–79.

No. 703

762A.00/7–1252: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

RESTRICTED BERLIN, July 12, 1952—2 p.m.

88. From EAD. In seven hour speech opening SED conf Ulbricht confirmed that party decision had been taken to: (1) Abolish

[1] Repeated to Washington, London, Paris, Moscow, Warsaw, Praha, and Frankfurt. The source text is the copy in Department of State files.

Laender govts, establish 152 chamber county govts and increase districts (kreise) from 132 to 195; (2) Officially encourage "voluntary cooperative production" in agric and hand trades; (3) Proceed with "planned development of Socialism"; (4) Proceed with creation of "People's army" to combat imperialism and defend peace and GDR frontiers; and (5) Introduce new legal codes along Sov lines.

Pertinent details Ulbricht's elaboration of foregoing SED policy program and instructions re new party tasks will be subject separate reports. [2]

Basis preliminary analysis Ulbricht's book-length speech our tentative impression is that it represents in part turning point Sov policy in direction transformation GDR to "Peoples Democracy;" and also that timing of conf and dramatic Ulbricht pronouncements partly bluff and designed for shock effect in West Ger.

Ulbricht's remarks on subj Ger unification, peace treaty and Sov proposals this subj followed closely recent Commie line, namely: necessity overthrow Adenauer Govt; charges that Adenauer and West Allies not interested reaching agmt with Sovs on Ger unity as evidenced by insistence unacceptable conditions having sole purpose doom any Four-power conf to failure; and all-out endorsement Sov proposals. Re last point of interest note Ulbricht referred to fact that: (1) "Sov Govt had expressly declared drafting of election law and conduct of elections is matter purely for the Ger people" and (2) statement in last Sov note [3] that creation unified Ger can only be achieved on acceptance principle that all-Ger Govt not bound by separate agmts concluded by one or other part of Ger. Repetition and emphasis given latter point apparently serves dual purpose of stressing fact that Sovs not prepared agree to unified Ger bound by contractual and EDC agmts; and also to establish Commie justification for eventual conclusion similar agmts between GDR on one hand and Sov Union and "peace kampf" countries on other.

LYON

---

[2] Analyses of Ulbricht's speech in which his program and instructions were contained were transmitted in despatch 74 from Berlin, July 22, not printed (862B.00/7-2252), and in despatch 91 from Berlin, *infra*.

[3] For the Soviet note of May 24, see Document 102.

No. 704

762.00/7-2652: Despatch

The Chief of the Eastern Affairs Division, Berlin Element, HICOG (Barnes) to the Department of State [1]

SECRET BERLIN, July 26, 1952.

No. 91

Ref: Berlin's Despatch No. 704, July 22, 1952 [2]

Subject: Significance of the Second SED Party Conference With Regard to the Communist Unity Strategy

Summary and Conclusions

The new economic and political program outlined by Walter Ulbricht before the Second SED Party Conference in July of this year, and subsequently approved by both the SED party and the GDR government, represents a break with the previous SED and GDR government policy line. The earlier program was, according to both public and internal pronouncements, limited in scope, due allegedly to the overriding political task of achieving German unification. This task, it had been explained, prevented the GDR from proceeding with the development of socialism. It supposedly imposed economic, political and social policy limitations aimed at preserving sufficient similarity and continuity of development in both parts of Germany. This, in turn, meant the postponement of any attempt to proceed with the transition from a capitalist to a socialist society until after the unification of Germany.

The decision of the SED party conference to proceed with the transition from capitalism to socialism and the establishment of national armed forces in the GDR, together with the rapid issuance of laws and decrees to implement the new program, if viewed also against the background of repressive internal "protective" measures taken by the GDR since signature of the contractual and EDC agreements, suggests that the Communists are not now planning to weaken their present position in the Soviet Zone, in order to prevent ratification of the signed agreements. Available evidence discussed in the paper also suggests that the Soviets still anticipate that the issue of unity will operate eventually in their favor; and

---

[1] Enclosed with the source text were a translation of an article from *Taegliche Rundschau* of Feb. 6, 1952, entitled "The NEP (New Economic Policy) in the Soviet Union and the People's Democracies," by Kurt Gossweiler, and a memorandum of conversation between Professor Kastner and Soviet Ambassador Semyenov of January 1952. Neither is printed.

[2] Despatch 74 reported the contents of Ulbricht's statements made at the Second SED Conference on the future economic policy of the German Democratic Republic. (862B.00/7-2252)

that the new program in the GDR is part of Soviet strategic and tactical plans projected ahead and geared to reaching maximum effectiveness during the period following ratification of the contractual and EDC agreements.

Effective Allied action to undermine the basis upon which current Soviet strategy and tactics are founded would appear to include the following. Avoidance of four-power discussions prior to ratification, unless the Soviets agree on a basis which promises substantive progress and not just a repetition of delaying tactics for propagandistic exploitation. Preparation, preferably on a tripartite basis, of position papers on such fundamental issues as (a) control procedure for all-German elections; (b) status and powers of an interim all-German government; and (c) status and powers of the occupation powers during the interim period following elections and conclusion of a peace treaty. The foregoing should assist the Allies in capturing, maintaining and exploiting the initiative on German unification, as the surest guarantee against successful Soviet exploitation of the difficult period during which the Allies will be attempting to implement the ratified contractual and EDC agreements.

The New SED Political and Economic Program

Until a few months before the Second SED Party Conference, the SED had emphasized both publicly and within its political indoctrination program for members of the party and mass organizations that, due to the struggle for German unification which was the overriding political task of the SED and GDR government, it was impossible to proceed with the development of socialism in the GDR; and that the transition from capitalism to socialism could not be attempted until after Germany had been unified.

At the Second Party Conference held from July 9 to 12, 1952, Secretary General Walter Ulbricht announced that the Central Committee of the SED had decided to proceed in the GDR with the transition from capitalism to socialism. Stating that "the main instrument for the creation of the bases of socialism is the state power (Staatsmacht)", he described the three main tasks of the "Staatsmacht" as being:

1. Breaking the resistance of the overthrown and expropriated large capitalists and large land owners, and liquidation of all their attempts to reestablish the rule of capital.
2. Organizing the development of socialism.
3. Creating armed military forces of the GDR for defense of the homeland against foreign enemies, and for the fight against imperialism.

The New SED Program and the Problem of German Unity

Anticipating the question of what effect this decision would have upon the previous Communist unity formula, Ulbricht answered as follows:

"The central question is and remains the national question, which has a deep social meaning. The development of socialism in the German Democratic Republic and Berlin can only have a favorable influence upon the struggle for a unified, democratic, peace-loving and independent Germany. Now as before we stand firmly by our proposals for the bringing about of a peace treaty and the unity of Germany. The question as to what social order (Gesellschaftliche Ordnung) should be established in the whole of Germany after reunification will be determined by the entire German people without any foreign interference.

Through the development of socialism the decision concerning the shaping of the future social order in Germany will be made easier for the German working class and the entire German people, for then everyone can decide for himself, on the basis of his own experience, which way serves the interests of the working people and which way serves the interests of the armament industrialists, the capitalists and large land owners. Our policy of developing democracy and socialism will destroy the plans of the Adenauer-clique and their capitalist backers. The creation of the bases of socialism in the German Democratic Republic will help to bring about a decisive defeat for the Bonn blood-brothers of American monopolistic capital—the West German corporation and bank magnates."

Minister President Grotewohl in his address terminating the Conference had the following to say on the same subject.

"There are many people, our opponents and some of our friends, who ask whether our decision is not liable to slow down or render difficult the reunification of both parts of Germany. One can only answer to this with a *No.* One cannot grant to the divisionist politicians of Bonn the right to advance their reactionary, militaristic, anti-social and anti-national principles as the standards for a future unified, democratic, peace-loving and independent Germany. We are much more of the opinion that our decision is an enlightening and convincing example also for the working class and all progressive people in West Germany as to how a nation, which has good friends in the world, can arrive at peace and happiness on the basis of its own power, if it tears asunder the chains of capitalism and frees itself from the slavery of imperialism."

The decisive prerequisite for us, Comrades, for successful progress on the road to socialism is, however, friendship with the Soviet Union. For all countries occupied with the development of socialism this is a vital necessity."

Previous SED Economic and Political Policies

In order to determine how much significance should be attached to the II SED Party Conference decision to proceed with the development of socialism and to determine what, if any, light it throws

upon the Kremlin's intentions with regard to the question of German unification, it is worth while going back approximately six months in order to review what was then being said on this subject. The party line then stands in most glaring contradiction to that advanced in the aforequoted statements of Grotewohl and Ulbricht.

On February 6 the overt Soviet organ, *Taegliche Rundschau*, published a full page article by Kurt Gossweiler entitled, "The NEP and the Soviet Union and the People's Democracies".* Suffice it for the purpose of this analysis to review briefly the three main themes of this article.

1. The Necessity for and Nature of the NEP in the USSR: Essentially the explanation given is that Russia in 1917 was one of the most backward agrarian countries of Europe; that the NEP was preceded in the USSR by a period of war time communism; and that the USSR, as the first socialist country, was thrown entirely upon its own resources and had to solve the various problems connected with the transition of a country from capitalism to socialism without the help and experience of another socialist country. Of necessity it developed, through experiment, the NEP, which, "in one form or another represents the normal economic policy of the transition period from capitalism to socialism in all countries". The NEP, therefore, represents an economic policy for the period in a socialist country when the proletariat holds the power in its hands, but, in order to achieve total socialization, must countenance the temporary existence of certain forms of capitalism along side of socialism, until the former can be liquidated without producing crippling effects upon the continued healthy progress of the latter.

2. The NEP and its Different Form in the European Countries of People's Democracy: The article points out here that, whereas the USSR after 30 years of hard, experimental work, has established socialism and *is now in the period of transition from socialism to communism*, the regimes of the People's Democracies (except that of China) represent the state form of the dictatorship of the proletariat *a socialist state in the first phase of its development. "The socioeconomic structure of the European countries of People's Democracy resembles the socio-economic structure of the USSR during the transition period from capitalism to socialism"*. They are now passing through in their development the period of the NEP, under more favorable historical conditions. These more favorable conditions, which have enabled the transition, or NEP period, to be considerably reduced in time as compared to that of the USSR, consist primarily of: (a) the existence of a powerful socialist country, the

*A full translation of this article is attached hereto as Enclosure No. 1. It is considered that, in its entirety, this article, in conjunction with the decisions of the II SED Party Conference, represents a rather basic document for an understanding of Soviet policy in Germany. [Footnote in the source text. Enclosure is not printed.]

USSR, which can pass on to them the hard-won but tried and true lessons; (b) the political and material help of the USSR; (c) the fact that, thanks to the strength of the USSR, they are not as exposed to capitalistic encirclement and were not compelled after the war to eject foreign imperialist armies from their countries; and (d) the fact that many of these countries, such as Poland and Czechoslovakia, already possessed a strong, viable industry and in none of them was the pre-capitalistic formation as strong as it was in Russia of 1917.

3. The NEP and the GDR: Introducing his discussion of the GDR and the NEP with a quotation from Stalin to the effect that the "NEP represents a special policy only of a proletarian state", the author reached the interesting conclusion that there can, therefore, be no talk about the NEP in the GDR, for "the GDR is not a proletarian state, but a state in which, to be sure, the laboring class possesses decisive influence, in which, however, as Otto Grotewohl explained at the first party conference of the SED, 'also other working classes and in part also private property owning sections participate in the exercise of power' ".[3] In the characterization of the GDR, differentiating its state form of an "anti-fascist-democratic order" from that of a People's Democracy, the author points out that:

(a) "The state-owned (Volkseigene) sector is not a socialist sector, although the laws of evolution of the socialist economy (five year plan, emphasis on heavy industry, achievement principle etc.) are also the laws of evolution of the state-owned (Volkseigene) economy."

(b) "The economic policy of the GDR is not aimed at liquidating the capitalist elements in the peoples economy."

(c) "The five-year plan of the GDR, in contrast to the plans of the People's Democracies, provides for the increase of production of the capitalist industries in the amount of 156.5 per cent over that of 1950."

(d) "In the five year plan of the GDR, in contrast to those of the People's Democracies, there is no provision for collectivization in the agrarian economy. . . .[4] Neither in industry nor in agriculture are socialist goals laid down."

(e) "*The content of the economic policy of the GDR is, therefore, not the development of socialism and the liquidation of capitalist elements, but rather the development of the economy, which is best designed to bring to success the struggle for the achievement of unification of Germany and to give to it a firm economic basis.*"

"This can only be the case, if the economic basis of the GDR does not stand in contradiction to its political order".

(f) "Although it would be false to think that because of the foregoing it is impossible to learn from the NEP" . . .[4] and although

---

[3] For documentation concerning the First Conference of the SED, Jan. 25–29, 1949, see *Foreign Relations*, 1949, vol. III, pp. 505 ff.

[4] Ellipsis in the source text.

"it is true that the antifascist democratic order is an order which has departed from the shore of capitalism", the practice of learning from examples of the socialist order in the Soviet Union "*must proceed with the realization that the GDR is held back from socialism and the direct transition to socialism by the task, upon the solution of which all powers must be concentrated, namely: the struggle for the unification of Germany.*"

Not only was the foregoing article published by the *Taegliche Rundschau* on February 6, 1952, but we are in possession of a report,† according to which a compulsory meeting of all higher schooling functionaries of the SED, FDJ, FDGB and DFB was held at the Karl Marx Party Hochschule in Klein Machnow from January 28 to February 2, 1952. The purpose of the meeting was to provide ideological clarification on this very same subject. According to the report, similar points were made, namely:

1. The GDR is in no way to be compared with the Eastern People's Democracies. On the contrary the GDR was an unfinished part of the Germany now striving for unity. All measures and developments in the GDR, which might be compared with structural elements of Soviet socialism or of the Eastern People's Democracies, are at best provisional in the GDR and must never be treated as a final condition.
2. The central political principle which the GDR follows is not planned to lead to the development of a People's Democracy or Socialism, but to a unified Germany. Only when Germany is reunified can those fundamental developments which already characterize "the progressive peoples" begin to take place in Germany.
3. Those attending the meeting should indoctrinate every functionary and member of their respective organization with these facts; explain in all schooling courses that Germany's situation is unique and incomparable; show that the only political task of Germany is its reunification; and that this explains why the GDR can never be named or treated together with the People's Democracies in any matter concerning joint action of the Eastern countries.

The New SED Policies and the Communist Unity Program

The foregoing leaves little room for doubt that decisions taken at the Second SED Party Conference represent a very definite departure from previous party policy—in any event in its tactical and propaganda manifestations, if perhaps not in long-term strategy. Earlier statements of policy categorically precluded the development of the GDR along socialist lines toward the goal of becoming a People's Democracy, due to the overriding task of achieving German unity. The new SED policy in the Soviet Zone is officially and openly aimed at achieving those very socialist goals, which the public and party functionaries were previously told could not be

† . . . [Footnote in the source text not declassified.]

pursued simultaneously with the goal of achieving German unity. On the face of it, this means, logically, that the goal of German unity on the basis of Grotewohl's proposals of September 1951 [5] has been abandoned by the Soviets and their SED puppets. However, Ulbricht, Pieck, Grotewohl, *et al.* argue not at all. On the contrary, according to them, the decision to proceed with the transition from capitalism to socialism can only facilitate the reunification of Germany. If they believe this, then for very practical reasons it means, from the Communist point of view, that unification of Germany can only be achieved if the whole of Germany can be enticed or coerced into accepting the SED policies of socialism (Soviet style) as the governing principles for an all-German government. It would appear to mean, as Ulbricht stated in his summary speech at the end of the conference, that, "since Adenauer's signatures on the contractual and EDC agreements . . . it is no longer possible . . . to discuss, so to speak, in the clouds the question of the road to German unity. It is necessary to draw the clear consequence that the prerequisite for the reestablishment of the unity of Germany is the overthrow of the vassal regime of Bonn . . . . The unification of all patriotic forces and their friendly cooperation with the patriotic forces of the GDR, which is the basis of the struggle for German unity, has become an unconditional necessity."

In other words the second SED Party Conference, in conjunction with the Soviet proposals for German unification contained in the Kremlin's notes beginning with the basic one of March 10, 1952, [6] was utilized to announce to the outside world substantially the following:

1. The Soviet Union does not intend at this stage to give in to pressure;
2. It intends to meet pressure with counter pressure;
3. It has not given up its strategic objective of capturing control over the whole of Germany, even though attainment of the objective may be delayed;
4. So long as the Western powers proceed with attempt to integrate the Federal Republic into Western Europe economically, politically and militarily, and to make such agreements binding upon a unified Germany, the Soviet Union will follow the same course with regard to the GDR;
5. Efforts of the Western powers to undermine and bring about the overthrow of the GDR Communist government will be matched by Communist efforts to undermine and overthrow the Adenauer government.

---

[5] For documentation on Grotewohl's proposals of September 1951, see *Foreign Relations*, 1951, vol. III, Part 2, pp. 1747 ff.

[6] Document 65.

Soviet Intentions in Light of the New SED Policy

If the foregoing analysis is valid, for which supporting evidence is abundant, what conclusions can be drawn from it with regard to immediate and ultimate Soviet intentions and the effectiveness of current Western strategy?

In the absence of any convincing evidence that the Soviets are willing to agree to the unification of Germany on terms acceptable to the Western Allies, the tactics followed by the Soviets since Grotewohl's note of February 13, 1952[7] and culminating in the decisions of the Second SED Party Conference would appear to indicate, insofar as immediate Soviet strategy and tactics are concerned, the following:

1. That the Soviets are prepared to accept the ratification of the contractual and EDC agreements. That, though they will continue to try and prevent it, they question success except at a price involving greater concessions than they are willing to make; and consequently that they are preparing for this alternative. And that they do not intend to make concessions which would risk weakening their hold on the Soviet Zone except for a substantial *quid pro quo*. (This conclusion does not preclude last minute tactical manuevers prior to ratification such as agreeing to Western conditions for a four-power conference, advancing "apparent" concessions at such a conference, or even agreeing to investigation of election conditions by a neutral commission. Nor does it preclude using a four power conference as a propaganda forum, or proposing tricky compromises on the chance of acceptance).

2. That, having tried and to date failed to prevent progress toward the integration of Western Germany, with the tactic of advancing proposals indicating an "apparent" willingness to conduct free and secret elections throughout Germany, the Soviets are now hoping to frighten both the Western Germans and Western Allies into abandonment of their integration plans. (It should be noted in this connection that, during the period from September, 1951 to July, 1952, when the Soviets were endeavoring to achieve their ends by convincing the world at large that they were willing to participate in the holding of free and secret elections, they were consequential enough to preach to East Zone Communist functionaries and the rank and file that the achievement of German unity on such a basis precluded the GDR from becoming a People's Democracy or proceeding with the transition from capitalism to socialism; and that, with the recent shift in tactics toward trying to frighten the Germans and Western powers into acceptance of Soviet conditions—an armed but neutralized socialist Germany—they have now given the green light to proceeding with the transformation of the GDR into a socialist People's Democracy, which in

[7]The reference is to Grotewohl's appeal for a peace treaty embodying a plan for the reunification of Germany, addressed to the Soviet Union, the United States, the United Kingdom, and France. The note is printed in *Aussenpolitik der DDR*, p. 74, as well as in *Documents on German Unity*, vol. II, p. 50.

turn will require a completely new political indoctrination program.)

3. That Soviet policy is now founded on the assumptions that: (a) the announcement of an intention to proceed with the open establishment of a people's army, and the transition from capitalism to socialism in the GDR may cause sufficient fright in the West to contribute to defeat or delay in ratification of the contractual and EDC agreements; (b) that, if not, progress will have been made in building up the defensive and offensive position of the Soviets in the GDR; (c) that elections must take place in the Federal Republic in 1953; (d) that prior to these elections it will not be possible for the Germans to produce trained, equipped and battle-ready divisions; (e) that they (the Soviets) can probably afford to wait out this period if necessary without making any basic concessions to the West on all-German elections, utilizing the time to make such progress as they can in consolidating the so-called progressive, peace loving and patriotic elements in Western Germany (Wirth, Heinemann, Wessel, Niemoeller, Communist and disgruntled SPD and DGB elements) into a more effective political force; and (f) that if they have achieved no satisfactory solution in the meantime, the new SED program of socialism, coupled with renewed offers for all-German discussions to agree on an election law and formation of an all-German government, may have more success later with an SPD government or any new government emerging from the 1953 elections.

In connection with the foregoing analysis of Soviet assumptions underlying the new tactical approach to the all-German question and implied in the new SED policy decisions, it is perhaps well to review some of the points made in . . . . This report concerns statements allegedly made by Ulbricht in a SED Politburo session June 5–6, 1952, in which were discussed, among other things, probable developments in Western Germany after ratification of the contractual agreements. Ulbricht is reported as having stated that "the Soviets believe both the United States and West Germany will have ratified the agreements by the end of July 1952;" that "England and especially France—will not ratify so quickly;" that "there would remain a relatively long period of time before the agreements could actually go into force;" that this "would be the critical period, affording the greatest possibility for effective resistance;" that "it was a mistake to take a short-sighted view in regard to German policy;" and that "all kinds of actions occurring throughout Europe and the world had one clear frame of reference—the future of Germany."

With regard to the last statement, Ulbricht is reported to have referred to the "International Conference for the Solution of the German Problem", scheduled for June 13 in Paris but actually held in Denmark, "the particular purpose of which was preparing the French for resistance against EDC and contractuals;" and to the

World Peace Council meeting called for July 1–6 in East Berlin. Announcement of a World Peace Congress in Vienna next December suggests continuation of the same tactics.

Ulbricht is also reported as stating that the "Soviets expected such meetings to have a world-wide effect against the Western treaties" and that after this "either the willingness of the West to negotiate would prevent or postpone realization of the treaties, or else a completely new period of active opposition, ignited by the German problem, would set in." And he is reported to have stressed again and again that, today, German policy in Germany was world policy.

Seen in retrospect and in the light of recent events and decisions taken in the GDR, it would appear, as in the case of the . . . report previously referred to, that this report may have been quite accurate.

In attempting to analyse both short and long range intentions of the Soviets with regard to Germany, we have been and continue to be faced with two schools of thought as to the extent to which the Soviet Union fears the creation of West German military forces, the nature of the price they might be willing to pay to prevent the creation of such forces and, finally, at what particular point in time, if they are indeed willing to pay a high price, they will choose to make known to the West their price and bargaining terms.

One school of thought has consistently held to the belief that the Soviets have such a respect for, and fear of, a German military machine, and its propensity for growth, that they are willing to pay a high price to prevent German military divisions from being created. Within this school of thought views differ as to the nature of the price the Soviets are willing to pay. However, implicit in nearly all of the views is the presumed willingness under certain minimum conditions to sacrifice the SED party's absolute control over East Germany; and to relinquish their own present unchallenged domination over the Soviet Zone. As to the point in time at which the Soviets will indicate their willingness to pay such a price, it was originally the belief of at least some of this group that it would be prior to the signature of the contractual and EDC agreements. With others it was and remains either just before apparent readiness of the Bonn Bundestag to ratify, or just prior to what appears to be imminent ratification by the French Assembly.

The other school of thought holds to the belief that even temporary forfeiture of complete control over the Soviet Zone of Germany, with all the strategic, economic, political and psychological repercussions which could follow from such a move, represents too high a price for the Soviets to pay, until every hope of preventing implementation of the EDC agreements through other means has

been removed. In fact, there are within this group those who believe that, fearful as the Soviets undoubtedly are of the potential danger which the recreation of a German military machine represents, they prefer to face this danger and to deal with it, if they must, from their present advance position on the zonal demarcation line between the GDR and the Federal Republic with whatever manpower, economic resources and military bases they can develop within the GDR during the intervening period; rather than risk meeting a challenge from well behind this line. ‡ For the purposes of this analysis we can restrict ourselves to a consideration of the less extreme view, namely: that the Soviets will not modify appreciably the terms outlined in their note of March 10, 1952 and subsequently, unless and until ratification of the contractual and EDC agreements has been practically assured by all participating countries, and until progress made toward implementing these agreements is such as to indicate that the Western Allies will be able to overcome such difficulties as still remain in their way. If and when events progress to this point, we will learn as a matter of course whether the latter view of the second school of thought is valid or not.

The evidence to date suggests that at least the less extreme view of the second school of thought may be closest to being correct. What in brief, is the evidence?

1. The Soviets did not alter their basic tactics to prevent signature and ratification of the Schuman plan.
2. They did not alter their policy sufficiently to prevent the signature of the contractuals and EDC agreements—though the unity campaign was stepped up.
3. They did not utilize for their own ends the Allied overtures in their note of May 13th.[8]
4. Following signature of the contractual and EDC agreements, they took a series of actions directed at further isolation of the GDR from the Federal Republic and Western Berlin and at increasing the powers of the Secret Police over the population and administrative apparatus of the GDR.
5. The recent policy decisions taken at the Second SED Party Conference, as set forth previously in this analysis, instead of reflecting even an "apparent" willingness to compromise on the question of German unity, represent the first major shift of SED tactics since September 1951 in the opposite direction. They are aimed at further consolidation of the Soviet position in the GDR at the risk of increasing anti-Soviet feeling within the GDR and West Germany. In turn they will have the effect of forcing non-Communist supporters of the Communist unity formula in Western Germany—the neutralist elements of various shades—into a corner. The latter

‡ . . . [Footnote in the source text not declassified.]

[8] Document 101.

will now be forced to choose between appearing to be unreservedly on the side of the Communists or reveal themselves as being against them. §

[Here follows a four-page assessment of the implications for United States policy toward the Soviet Union and Germany of the foregoing analysis.]

N. SPENCER BARNES

§ In this connection, in his speech before the Second Party Conference Ulbricht warned Heinemann's "Notgemeinshaft" that "if it did not want to play the role of a collection basin for bourgeois peace friends, thereby preventing them from joining the national people's movement, then all of these opponents of the separatist treaty must draw the consequences and support the patriotic movement for a peace treaty on the basis of the Soviet proposals, against the General Treaty and for the overthrow of the Adenauer government". He also warned the church that "under conditions whereby the division of Germany was being entrenched through the separatist pact, the church can no longer conceal its position under the mask of 'neutrality' ". [Footnote in the source text.]

No. 705

762B.02/11-1952: Circular airgram

The Acting Secretary of State to All Diplomatic Offices [1]

SECRET WASHINGTON, November 19, 1952—7:30 p.m.

In view of the renewed efforts of the USSR and its satellites in recent months to obtain international recognition for the Soviet Zone of Germany, including membership in various international organizations, and the attempts by the GDR (German Democratic Republic) itself to make recognition a condition precedent to various types of bi-lateral negotiations, the Department wishes to emphasize its position on these questions.

Circular Airgram despatched February 10, 1950, 12:45 P.M. [2] contained the text of a position paper adopted by the Brussels Pact Powers and the United States on the problems of recognition, *de jure* or *de facto,* of the so-called German Democratic Republic. Most of the OEEC countries and some other Powers have since associated themselves with this position.

The United States Government continues to oppose the recognition of the so-called German Democratic Republic, *de jure* or *de facto,* and desires to encourage a similar attitude in other states not under Soviet domination.

[1] Drafted by Blumberg and cleared with Williamson.

[2] For text, see *Foreign Relations,* 1950, vol. IV, p. 942.

In the event that the issue of recognition of the GDR should arise, the Officer-in-Charge is requested, at his discretion, to remind the government to which he is accredited that the Government of the United States, in conjunction with a number of other governments of the free world, considers that the Government of the Federal Republic of Germany is the only freely and legitimately constituted Government in Germany, and consequently is the only government qualified to speak for the German people in international affairs. This Government would be deeply disturbed if any government not under Communist domination were to recognize the so-called GDR or to vote to extend it membership in any international organization. In the past, however, the Department, in the interests of harmony, has in a few instances accepted without objection, the granting of *ad hoc* observer status in some technical organizations, to representatives of the Soviet Zone of Occupation of Germany. The Soviet Zone of Occupation as opposed to the so-called GDR, is an entity recognized by this Government in various international agreements.

The above is not intended as an instruction for a *démarche* to any government at this time. It seeks rather to advise all missions that United States policy on this issue has not changed. And it also is intended to alert missions to the possibility of renewed activity by the Soviet bloc to obtain implied or direct recognition for the so-called GDR. In the event the government of the country concerned appears to be giving consideration to such action or is considering the question of GDR membership in some international organization, the Officer-in-Charge may, at his discretion, make appropriate representations.

This Airgram is being sent to Iron Curtain and Brussels Pact countries for information only.

BRUCE

No. 706

762B.00/1-2053: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, January 20, 1953—noon.

1163. From EAD. Reference: Berlin/EAD telegram BN-1570, [2] January 5, pouched Bonn, Department, London, Paris, Moscow.

Following on heels For Min Dertinger's New Years article (see final paragraph reftel) playing up independent, sovereign status GDR, below-quoted passage from January 14 *Neues Deutschland* editorial represents boldest assertion yet come to our attention by SED or other GDR organ or official of thesis GDR is sovereign state. Even goes so far as to imply Soviets not exercising control functions over GDR Government.

Referring to recent statement by Adenauer that Soviet Union "not prepared give up its zone voluntarily", editorial states:

"Everyone knows that already in 1949 there was no longer a Soviet zone, but a sovereign German Democratic Republic, and that Soviet troops only located there still because Americans and Adenauer stubbornly oppose withdrawal all occupation troops from all of Germany. What does it mean, the Soviet Union is 'not prepared' to give up her 'zone'? No—the German patriots from East and West are not prepared to forfeit the basis of their national liberation struggle, the GDR . . . ." [3]

Furthermore, most recent Soviet action containing potentially serious implication in direction GDR sovereignty is General Chuikov's statement to acting High Commissioner Reber inferring that case US soldiers Night and Michalowski under jurisdiction GDR rather than Soviet authorities (see final sentence paragraph 4 Berlin telegram January 16 from Reber sent Department 1057, repeated Bonn 145, Moscow 144). [4]

---

[1] Repeated to Washington, Moscow, London, and Paris. The source text is the copy in Department of State files.

[2] This telegram transmitted summaries of addresses and statements by Pieck, Grotewohl, Dertinger, and members of the SED Central Committee and the Democratic Bloc of Greater Berlin. (762B.00/1-553)

[3] Ellipsis in the source text.

[4] Private Raymond V. Michalowski and Lieutenant Night, who were claimed by the GDR authorities to have sought asylum in the Soviet Zone, were placed in the custody of GDR police on Nov. 26, 1952. U.S. authorities claimed that they were seized while guarding a boxcar. Both were released on May 19, 1953. The telegram under reference transmitted an account of an interview between Lyon and Chuikov on this and several other subjects. (762.0221/1-1653)

Soviet authorities have consistently tried sustain contradictory policy of regarding selves as supreme authority in GDR and simultaneously encouraging GDR Government by its propaganda and actions to regard itself as fully sovereign. At same time Soviets have stepped up campaign to build case that West Powers have broken Potsdam and quadripartite agreements re status Berlin. Political significance this tactic obvious.

Recognize "sovereignty" question extremely thorny one, involving considerations affecting West as well as East Germany. Nevertheless, seems not impossible that issue could be manipulated advantageously at this time.

From psychological warfare point of view, consideration might be given to having our media treat foregoing *Neues Deutschland* statement in context recent GDR actions re Berlin in manner challenging Soviets explain whether SED organ in fact reflects official Soviet position that it no longer exercises control functions. Making use ND editorial in proper context could lead to some confusion and disagreement between SED and Soviet authorities at time when developments in GDR influx with uncertainty and fear rife even within SED.

In general believe West should grasp every opportunity from now on to build up record through media and note exchange that contractuals do not change quadripartite status Berlin; that Allies have adhered to these quadripartite agreements for purpose keeping way open for four-power agreement on unification and peace treaty for Germany acceptable to freely elected representatives German people; and that they expect Soviets and German authorities under their control do likewise, or realize failure to do so will free hands Allies act as they deem to be in their and German people's best interest.

Manner in which events are moving in GDR give ample reason believe that after ratification contractuals West may have to deal bolder encroachments by GDR authority, challenging status Allies in Berlin and calling for firm actions by West. Latter in turn will require support world-wide popular opinion which, if not well prepared in advance, may be lacking.

LYON

No. 707

862B.03/5–1153: Telegram

The Acting Director of the Berlin Element, HICOG (Maynard) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, May 11, 1953.

BN–2677. From EAD.

1. Although press reports here not entirely clear, appears Fed Rep may be planning send relief shipments of food to GDR as well as encourage shipping food under IZT agreement and sending gift parcels. We understand relief shipments would be relatively small, totalling only 46.5 million DM. Assume US will be approached for assistance connection relief shipments.

2. Fed Rep fears re mass influx starving refugees may make it more susceptible than is justified to arguments in favor such action. Desire West German food firms export to GDR may also have strengthened "humanitarian" attitude Fed Rep govt.

3. We believe conclusions our D–608 Jan 27 [2] in general still valid. We do not believe GDR population starving, although food shortage undoubtedly exists and has probably worsened since January. Recent rationing changes in GDR essentially shift of food from some groups to others, not evidence serious new shortages. Even groups deprived of ration cards on May 1 must be getting food, since no appreciable change number or composition refugee flow. We believe West press has for months painted much too gloomy picture of GDR food situation.

4. According DAD report Apr 1 (EGQ–66), [3] on Jan 15, when West press (and, we suspect, Min All-Ger Affairs) believed famine imminent, GDR had in state reserves two months supply meat, eggs equivalent to two weeks supply meat by ratio officially established, three weeks supply fats (mostly butter), considerable quantities grain. In December, Soviets refused let GDR draw on reserves to alleviate shortages, policy which so far we know still in effect. 1953 plan calls for doubling refrigeration capacity for meat reserves, significant increases for other foods. Until good evidence presented these reserves exhausted believe relief shipments to GDR unnecessary.

---

[1] Also sent to Washington and Moscow. The source text is the copy in Department of State files.

[2] Despatch 608 concluded that the food supply situation for 1953 appeared to be "one of scarcity rather than absolute famine." (862B.03/1–2753)

[3] Not found in Department of State files.

5. Re imports from West, would seem preferable have GDR spend foreign currency on food rather than on commodities which aid industrialization and military-economic potential of Soviet bloc.

6. Food shipments on large scale would ease transition to socialized agriculture, now one of major GDR problems. Seems fairly clear food shortage acts to slow down liquidation large farmers as class and necessitates less repressive GDR policy toward non-socialized small farmers. Also, transfer labor from farm to factory hampered, could even be reversed if shortage becomes more acute.

7. Re propaganda potential current shortages, East press constantly publicizes aid received from abundantly supplied Soviet Union but never mentions food going into reparations and supply of occupation troops. Present situation seems well suited undercut such propaganda, or, better still, force USSR actually deliver. Also, we question whether small shipments without significant effect on amount of food received by individual consumers would necessarily be good propaganda.

8. Best positive propaganda action by West would seem be to note with concern precarious food situation in Soviet Zone (perhaps in published reply to Fed Rep request for assistance re relief shipments) and then call on Soviets to equalize delivery quota burdens for farmers, provide all farmers with labor, draw food from reserves, cut reparations and deliveries to Red Army in GDR, restore ration cards recently withdrawn, ration all food instead of channeling sizable quantities into HO for sale at high prices, buy food instead of industrial items in West, and provide additional relief if necessary from USSR. Believe publicly tracing shortages to Soviet policy in GDR more effective propaganda than offering free food, especially if latter action based on belief Soviets will refuse accept offer.

9. We are not concerned about gift packages, soup kitchens in West Berlin for Easterners or sales of food to GDR by West. We consider first two good enough propaganda to outweigh benefits GDR receives and third economically disadvantageous to GDR. We do believe, however, it would be mistaken policy assist Fed Rep (by approaching Sovs, or otherwise) in making genuine offers large relief shipments to GDR and we question desirability establishing precedent by assisting with small ones. If offer to be predicated on assumption Soviets will refuse, believe more advantageous propaganda exploitation as suggested paragraphs 7 and 8 being overlooked.

MAYNARD

No. 708

PSB files, lot 62 D 333, "Luncheon Meetings"

Memorandum by W. Bradley Connors of the Office of Policy and Plans, International Information Agency, to the Under Secretary of State (Smith)

SECRET [WASHINGTON,] May 28, 1953.

Subject: Future of RIAS—PSB Agenda, Item 3, May 28.

RIAS is the symbol of independence of the Free World both to Berlin and to Eastern Germany. It should be continued in its present role.

IIA has budgeted under GOA for its continued operation and intends to give it the fullest support. It is an integral part of the High Commissioner's public affairs effort and should be continued as such. Any attempt to transfer its control to any other agency should be opposed.

Theodore Striebert, radio consultant to Dr. Johnson and former President of WDR, has just returned from Berlin and reports RIAS is performing an extremely valuable service, is well operated and highly popular. He recommends no change in its status.

RIAS is the United States radio station in Berlin, broadcasting to the people of Berlin and to the 18 million inhabitants of the Soviet Zone of Germany. It is operated by the Public Affairs staff of the United States High Commissioner for Germany, employing a large number of indigenous personnel. It is generally viewed by Germans as a German station broadcasting with American support and backing and has received the highest praises from German officials, both in Berlin and the Federal Republic and is viewed as the most effective station by East Zone inhabitants.

. . . . . .

RIAS was established by the United States Military Governor and operated by him until authority in Germany was transferred to the High Commissioner. It has been operated by the High Commissioner's Public Affairs Staff ever since that time. Suggestions have been made, at one time or another, that the operation of RIAS be removed from the jurisdiction of the High Commissioner and placed into either German hands or under the jurisdiction of Radio Free Europe (RFE). The Department continues to feel that the Public Affairs Officer of the United States High Commissioner for Germany is the proper person to administer the station. He is uniquely qualified to direct the station's political output in harmony with the United States policy for Germany with the appropriate

local programming considerations. If the station were turned over to German authorities it would lose a great deal of its authority in Eastern Germany which depends on recognized United States affiliation of the station. If it were placed under the jurisdiction of RFE, objections would be voiced from German sources because they do not feel that East Germany is a Soviet satellite such as the countries now recognized as a target area for broadcasts of RFE and, therefore, feel that broadcasting to that area is not properly within the jurisdiction of that organization.

Under the forthcoming reorganization of the United States information program the Public Affairs Officer of the United States High Commissioner would be the representative in Germany of the United States Information Agency. Because of this factor, budgetary and administrative backstopping responsibility would rest with that agency.

Jamming:

RIAS has been so effective that Communists are making a determined effort to jam it. This has considerably reduced its coverage.

It has been proposed that we shift two 500,000 watt medium wave transmitters, purchased for use at Lemnos, Greece, but presently unused because of the freeze under NSC 137 [1] and install them at Hof to strengthen the RIAS signal. Construction of antennae, buildings and purchase of land would cost about $2 million. It would cost an additional $500,000 yearly to operate these facilities. This would give us a much stronger signal into East Germany.

Intelligence reports, however, indicate the Communists are building new facilities in and around Berlin which could counter this increased power. Under present building schedules, it is estimated it will take the Communists 12 to 18 months to complete these new installations so that we might be buying only a year's time, at most 18 month, and if the Communists speeded up their building plans perhaps as little as six months. And at that point we would be just about where we are today after having spent almost $2 million.

A further study is being made with the idea that stepping up the Berlin transmitter would be more efficient and more effective. We expect to have a plan completed in the next ten days.

The major question, however, is whether we can afford to let RIAS deteriorate with the interpretation that the United States is losing interest in Berlin and our friends behind the curtain in East Germany. If we fail to move, the Communists could cut RIAS com-

[1] For a description of NSC 137, "Effect of Radio as a Medium for the Voice of America on Military Operations and Upon Military and Civil Telecommunications," Dec. 2, 1952, see vol. II, Part 2, p. 1795.

pletely out of the picture when their new transmitters are completed.

Recommendations:

That we support continuance of RIAS under IIA as a major psychological symbol of the Free World's interest in Berlin.

That we take all essential steps to insure its effective operation, stepping up transmitter facilities as necessary and feasible.

No. 709

Editorial Note

On May 28 the Soviet Government announced the dissolution of the Soviet Control Commission in the German Democratic Republic and its replacement by a Soviet High Commissioner. The Chairman of the Control Commission, General Chuikov, remained in the country as Commander of the Soviet Occupation Forces. His former political adviser, Vladimir Semyenov, became the new Soviet High Commissioner.

On the same day, according to despatch 1023 from Berlin, June 3, the Council of Ministers of the German Democratic Republic decreed an increase, effective June 30, of an average of 10 percent in the work norms of all important industries. (762B.00/6–353)

No. 710

762A.00/6–0353: Despatch

The Embassy in Germany to the Department of State

[Extract]

TOP SECRET
No. 3831

BONN, June 3, 1953.

. . . . . .

Soviet Zone and East Berlin

. . . . . .

3. Informing Soviet Zone population of world events.

a. Subsidies were given to the publisher of a West German technical journal, banned from the Soviet Zone, to facilitate the continued distribution of this magazine to Soviet Zone subscribers. This

magazine keeps Soviet Zone scientists informed about the progress and philosophy of Western science and fills a void in this field which would otherwise be filled by Communist propaganda organs.

b. Assistance was given to a Frankfurt publisher to facilitate free-of-charge distribution each month, to select residents of the Soviet Zone of Germany, of 2,500 copies of a liberal, pro-Western, political monthly. The magazine helps maintain continuing contact with the population of the Soviet Zone as a means of keeping alive the spark of democratic tradition, the will to resist totalitarianism, and the hope of eventual liberation, which exist among peoples of East Germany. During the period of assistance, special issues were brought out on such subjects as "The West Calls the East," "East-West Relations," "Parties, interest groups, and Government," and "The Constitutional, Political and Administrative Make-up of the Future United Europe."

c. Operational costs for the electrical news sign at Potsdamer Platz, West Berlin, were covered by Policy Staff during the period July 1 to September 30, 1952.

Reference is also made to *Federal Republic,* 2 c and e and 6 b.

4. Maintain Soviet Zone/East Berlin hope for unified democratic Germany in European Community.

Reference is made to *Federal Republic,* 6 b; *Soviet Zone and East Berlin,* 3 b.

5. Weaken Soviet-Communist confidence in their ability to maintain or strengthen their position in Soviet Zone/East Berlin, or to use this area as a firm base for operations against the Federal Republic or West Berlin.

Reference is made to *Federal Republic,* 6 a, d, g, i, and m; *Berlin,* 1 a and 2 a; and *Soviet Zone and East Berlin,* 1 a and b.

No. 711

762B.00/6–1153: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, June 11, 1953—6 p.m.

1757. From EAD. SED Politburo today announced wide-ranging party and government policy shift which ranks in importance at least with decisions second party conference last July. [2] Apparently HICOMer Semeonov has lost no time setting in motion changes which Soviets hope, with some justification, will influence outcome

---

[1] Repeated to Washington, Moscow, London, Paris, Warsaw, Praha, Bucharest, and Budapest. The source text is the copy in Department of State files.

[2] Regarding the Second SED Conference, July 9–12, 1952, see telegram 88 and despatch 91 from Berlin, Documents 703 and 704.

FedRep elections, strengthen popular pressure in West Germany for four-power conference, and lessen East German antagonism toward GDR regime.

At same time, (1) communiqué issued on church reflecting apparent GDR willingness reach agreement favorable church on major outstanding issues and (2) report published on meeting of government, party and agricultural representatives which substantially confirms changes described mytel to Bonn 1750 repeated Department 1624. [3] Both reported separate telegrams. [4]

Politburo recommendations aimed at "decided improvement in living standard *all* segments population and strengthening of security under law (rechtssicherheit) in GDR". Mistakes, which have resulted in flight of "numerous persons from the Republic", to be corrected. Measures will serve reunification objective by "concretely facilitating coming together (annaeherung) both parts Germany".

Assuming straightforward implementation, Politburo in effect calls off war on private sector in economy in industry, trade and agriculture; announces intention attempt really solve consumer supply problems (even to point of revising five-year plan); makes strong play to get refugees back (their property to be returned); promises easing of regulations on issuance GDR residence permits to West Germans and West Berliners and interzonal passes to GDR residents; grant limited amnesty for certain economic crimes; and regrants substantially all food ration cards recently taken away.

Airpouching full text today. [5]

LYON

---

[3] Telegram 1750, dated June 10, reported that the SED Central Committee, meeting June 6–7, had decreed basic changes in the policy of socializing agriculture. (762B.00/6-1053)

[4] Reference is to telegram 1758 from Berlin to HICOG Bonn, June 11, concerning GDR state agricultural policy, and 1759 from Berlin to HICOG Bonn, June 11, concerning church-state relations. (762B.00/6-1153 and 862B.413/6-1153)

[5] An unofficial translation of the Politburo recommendations was transmitted to Washington in an unnumbered telegram from Berlin, June 15. (762B.00/6-1553) For text of the Politburo recommendations, dated June 9, and the Council of Ministers' communiqué, dated June 11, which accepted the recommendations, see Ruhm von Oppen, *Documents on Germany*, pp. 585–588.

No. 712

762B.00/6-1553: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, June 15, 1953—6 p.m.

1775. From EAD. Reference my telegram June 11 sent Bonn 1757 repeated Department 1631, Moscow 222, pouched unnumbered London, Paris and satellite capitals. [2]

In preliminary analysis of significance SED (Soviet) decisions and actions since June 9, important to view them against background international GDR policies (plus Commie justification thereof) in force prior to decisions of SED party conference July 1952 (see pp 1-8 D-91, July 26, 1952 [3]). Prior to these decisions, SED economic and political policies were described as being conditioned by overriding goal of achieving Germany unity; with corollary that GDR therefore precluded from changing over from capitalist to socialist society until unity achieved. Politburo justification for current international policy shift (see second paragraph June 9 communiqué) very similar to foregoing. It suggests return to at least pre-July 1952 line, under more auspicious circumstances than attended Grotewohl's September 1951 attempt induce West Germany to accept Commie unity formulas. [4] Consequently even if recent tactical shift does not reflect Soviet willingness make serious concessions to West on unity now, thesis to which we tentatively inclined, can expect Grotewohl come forward again as leading GDR policy spokesman, with Ulbricht drifting temporarily into background, possibly but not necessarily losing his Government or party positions.

Examining Soviet motivations and timing internal GDR policy shift, helpful divide former into acknowledged and suspected real reasons some of which overlap on acknowledged side, we find in June 9 communiqué:

1. Flight of GDR refugees. It admits that mistakes in implementing economic policies decided upon July 1952 led to flight and indicates hope changes will put end to latter.

2. Suggestion that changes made in order facilitate reunification. However, no mention made decision build armed forces; basic deci-

---

[1] Repeated to Washington, Moscow, London, Paris, Warsaw, Praha, Bucharest, and Budapest. The source text is the copy in Department of State files.

[2] *Supra.*

[3] Document 704.

[4] For documentation concerning Grotewohl's proposals of September 1951, see *Foreign Relations*, 1951, vol. III, pp. 1780 ff.

sion proceed with transition from Capitalism to Socialism not criticized or withdrawn, implication being that only methods and speed of implementation faulty; and GDR agreement with Evangelical Church, while in essence agreeing stop further measures vs church and render retroactively null and void some of recent antichurch actions, does not admit any past actions basically wrong or unconstitutional.

We believe real motivations and timing to be combination following:

1. Kremlin recognition of necessity slow down tempo and aggressiveness GDR socialization process. This irrespective whether ultimate Soviet plans include possibility giving up GDR via compromise, or rest on determination retain it until unity on Soviet terms possible. Under this consideration is probability Soviets recognition that:

a. Continued mass exodus refugees had to be stopped for economic, political and propaganda reasons.

b. Suppression *bourgeoisie* too rapid for two reasons: (1) regime unable as yet develop effective substitute for this group's expert knowledge and experience in making economy actually work and (2) non-working class nationalist circles in West judge GDR regime largely on basis its policy vis-à-vis this group.

c. Exploitation material and human resources Soviet zone too ruthless and had reached point of diminishing returns; i.e. in social terms, feeling of insecurity and dissatisfaction on part workers and farmers as being translated into passive, verging on active, resistance, which had reached stage of endangering Soviet political and economic objectives, both from internal and external point of view.

2. Soviet desire to time and formulate content of internal policy changes, required in any case, in manner calculated permit maximum external exploitation for purpose of:

a. Influencing outcome Federal Republic elections by increasing votes for SPD and Heinemann–Wassel parties, as only effective way contribute to defeat and removal Adenauer from active political scene. This connection sudden manner in which SED changed its line vis-à-vis SPD leadership, and geared its own new policies and declared objectives to blend with those of SPD, is striking.

b. Increasing in minds Germany and world public impression that Soviets are meeting President Eisenhower's conditions for 4-Power talks, namely deeds in Korea, Austria and Germany. Desire to influence Bermuda Conference may also play part here. [5]

---

[5] For documentation on the Bermuda Conference, originally planned for late June, but postponed until Dec. 4–8, 1953, see vol. v, Part 2, pp. 1710 ff.

Analysis whether internal GDR policy changes reflect only tactical maneuver, without basic policy change; or preface shift in Soviet strategy which will culminate in presenting real compromise plan for solution German unity at big power conference; is difficult and hazardous predict at this stage in highly fluid situation. Really satisfied answer this question probably ascertainable only at conference, or thru publications comprehensive West plan for peace treaty settlement which had been discussed thru diplomatic channels and rejected by Soviets. Viewed against background Soviet tactics in GDR from September 1951 to date; and current West position in Europe (i.e. Italian elections, up-coming Federal Republic Election, French political crisis and no immediate prospects EDC ratification); can be said timing nature of SED retrenchment and manner in which exploited to date supports tentative conclusion that recent Soviet move in GDR, coupled with Korean Armistice and other Soviet moves on world chess board, represent a tactical and not strategic shift in Germany. Executing two steps forward and one step backward in GDR since July 1952 leaves Soviets with: (1) over 4,000 agricultural production coops; (2) national armed forces approximately 130,000 strong (land, sea and air); and (3) a chastened Evangelical Church organization (one of most important blocks to socialization process in GDR); which possibly has allowed itself to be maneuvered into more vulnerable position should severe pressure be applied later.

Foregoing does not mean West powers have no possibility successfully countering Soviet maneuver and eventually developing position which, taking advantage certain assumed international weaknesses in Kremlin and its Satellites, could bring Soviet leaders to making strategic retreat favorable to Western world. However, conclusion suggests itself that the sooner West can agree on strong reasonable peace treaty position with which to challenge Soviets for solution of German unity problem at conference, sooner and easier will it be (1) clarify actual situation in Kremlin as result Stalin's death, (2) remove conditions in West which currently permit Soviets pursue their objectives within framework tactical rather than strategic shifts of policy.

LYON

No. 713

862B.062/6–1653: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

PRIORITY BERLIN, June 16, 1953.

1778. From EAD. About noon today workers from Stalin Allee project formed into demonstration column, proceeding to Alexander Platz with banners calling for elimination 10 percent increase in production norms. Column joined by other workers and proceeded to government buildings in vicinity Leipzig Strasse. Police made no effort interfere with demonstrators.

Ministers Rau and Selbmann finally appeared on balcony in attempt pacify and disperse demonstrators. Latter said they wanted present demands to Grotewohl or Ulbricht. Following announcement that he would do so, Selbmann finally talked to workers from within their midst standing on top of table. Selbmann told crowd he was a worker. Constantly interrupted, the crowd answered that he had forgotten that he was once a worker. Telling crowd that he spoke in the name of the government and that demands of Stalin Allee workers re norm reduction considered justified, the crowd answered, according eyewitness DPA report "we are not against the norms in the Stalin Allee, we are against the norms in all Germany. We want free elections." At one point a worker near Selbmann's table pushed him aside and shouted "what you have declared here is of no interest to us. We want to be free. Our demonstration is not against norms. We come not just from the Stalin Allee but from all of Berlin, this is a people's revolt."

At about 3 p.m. according DPA reporter the leader of the workers called for end of demonstration on grounds they would obtain no satisfaction from government in this manner; that construction workers would remain on strike; and that tomorrow a general strike would be called. Demonstration thereupon moved from government buildings back in direction Alexander Platz with leaders constantly calling for support of general strike to obtain just demands and free elections.

Details will be reported as available.

LYON

---

[1] Repeated to Washington, Paris, London, and Moscow. The source text is the copy in Department of State files.

No. 714

Editorial Note

No further unrest was reported in Berlin on June 16, but demonstrations and a general strike on June 17 resulted in the shooting and killing of several persons and many arrests. Martial law was declared the afternoon of June 17 and a curfew from 9 p.m. until 5 a.m. was decreed. According to telegram 1686 from Berlin, June 18, civilian communications between Berlin and Leipzig and Magdeburg were ordered cut between the evening of June 17 and the morning of June 18. East Berlin workers were reported to have returned to work only in some cases, and city transportation operated irregularly. (762B.00/6–1853) All crossings between the Soviet and other sectors of Berlin were blocked by East Berlin police and Soviet troops. The British military mission reported that smashed windows and some burning had occurred in East Berlin during the riots. By June 19, 20,000 Soviet troops, 350 tanks, and many East Berlin police were patrolling the main areas of the city; however, shops were open, more workers were on the job, and all was generally quiet. (Telegrams 1697 and 1709 from Berlin, June 19, 762B.00/6–1953) Outside Berlin, British officers also reported their impression that Soviet troops in full battle dress had surrounded the major cities of Saxony, Saxon-Anhalt, Magdeburg, Halle, Leipzig, and Meissen, although it was not clear whether their purpose was to "quell riots or maintain order." No mention was made of unrest in rural areas. (Telegram 1707 from Berlin, June 19, 762B.00/6–1953) Martial law was also declared in Potsdam, Magdeburg, and parts of Brandenburg, with violence reported in Halle, Chemnitz, Gera, Dresden, Leipzig, Erfurt, Cottbus, Rostock, and Warnemünde. The most crucial problems facing the authorities in the German Democratic Republic were food, communications, and transportation. (Telegram 1697 from Berlin, June 19, 762B.00/6–1953) According to telegram 1724 from Berlin, June 21, daily life in Berlin seemed to have returned to normal by June 21, although the situation remained uncertain in the rest of the Soviet Zone. (762B.00/6–2153)

No. 715

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 150th Meeting of the National Security Council, Thursday, June 18, 1953 [1]

TOP SECRET EYES ONLY

Present at the 150th meeting of the Council were the following: The President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director for Mutual Security. Also present were the Secretary of the Treasury; the Director, Bureau of the Budget; Admiral Fechteler for the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; Robert Cutler, Special Assistant to the President; Lewis L. Strauss, Special Assistant to the President; C.D. Jackson, Special Assistant to the President; the Military Liaison Officer; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the chief points taken.

[Here follows discussion of items 1–2, agenda of the meeting and North Korean prisoners of war.]

3. The Riots in East Germany and Czechoslovakia

The Director of Central Intelligence stated that he wished in his briefing to relate the recent events in East Berlin and Czechoslovakia to the series of developments which had resulted in what was called Molotov's "soft" policy. He then listed the specific actions of the Soviet Government with regard to Germany, and noted that the objective of all these actions was to support the Soviet policy for the unification of Germany in the interest of the Soviet Union. He then went on to describe the similar softening processes with regard to Austria, Yugoslavia, Greece, Iran, and Israel, culminating with a comment on the over-all Soviet objective of encouraging trade with the free world to the point of hinting their willingness to provide the free world with strategic materials in return for consumer goods. Mr. Dulles then noted the not less significant evidences of a relaxation of harshness within the Soviet Union itself. All these taken together, continued Mr. Dulles, obviously had not escaped the notice of the satellite peoples, who evidently were interpreting the soft policy as offering real possibilities of action against the Soviet Union without the terrible risks which would have been incurred under Stalin.

---

[1] Prepared by Deputy Executive Secretary of the NSC Gleason on June 19.

Mr. Dulles then turned to the riots in Czechoslovakia, and explained their origin and development so far as this was known. The conclusion one could draw from the riots in Pilsen was that the people of the satellites, of whom the Czechs were certainly the most phlegmatic and the least likely to rise in revolt, obviously felt bolder now that Stalin's hand was no longer there. . . .

Mr. Dulles thereafter described in as much detail as possible the uprising in Berlin and East Germany, where, he pointed out, the Soviet relaxation program had likewise backfired. Mr. Dulles said that the United States had nothing whatsoever to do with inciting these riots, and that our reaction thus far had been to confine ourselves, in broadcasts which were not attributable to expressions of sympathy and admiration, with an admixture of references to the great traditions of 1848. In summary, Mr. Dulles described what had happened as evidence of the boundless discontent and dissension behind the Iron Curtain, and added that it posed a very tough problem for the United States to know how to handle.

. . . . . .

Apropos of Mr. Allen Dulles' conclusion, Mr. Jackson observed that while the riots certainly revealed discontent, they were more important in showing, for the first time since their enslavement, that the slaves of the Soviet Union felt that they could do something. The thing had developed past the riot stage, and was moving close to insurrection. . . .

. . . . . .

Mr. Stassen also agreed that the key areas were the European satellites. He listed all of them, and observed that in each instance the Soviet faced trouble of one kind and degree or another. It seemed plain to Mr. Stassen that there were men willing to die for their freedom in these areas, and that each of them contained indigenous armed forces. If, as had been the case in East Germany, the Russians could not trust these indigenous forces and felt compelled to bring in their own troops, this should be taken as a sign of real promise.

The Secretary of State pointed out that his Department was giving a great deal of thought as to how it would be possible to engage in a four-power conference including the Russians without inevitably providing the latter with some degree of moral support of their tyranny and of depriving the dissident people of the satellites of all hope.

The President quickly replied that he had supposed he had made it crystal clear that if there were to be a four-power conference he

himself would certainly not be present. The Secretary of State could very well go, and confine himself to technicalities which would lend no semblance of moral support for Soviet imperialism.

As for a four-power conference, said Mr. Jackson, it was his opinion that the East Berliners had pulled out the rug from under the Kremlin. The Russians can scarcely come, in the circumstances, to any four-power conference posing as spokesmen for a contented democratic Germany which only seeks to be re-united.

Mr. Allen Dulles stated that the whole object of all the moves that Foreign Minister Molotov had been making by way of softening the harshness of Soviet rule, was to divide the Western powers.

Secretary Dulles agreed, and added that in his view Molotov was undoubtedly the ablest and shrewdest diplomat since Machiavelli. He was determined to defeat and destroy European unity at this moment when it seemed on the very point of consummation.

Mr. Stassen expressed the view that the East Berlin uprising heavily underscored the necessity of getting more military strength more quickly into West Germany.

Commenting on the points just made, the President observed that the uprisings certainly had provided us with the strongest possible argument to give to Mr. Churchill against a four-power meeting. The United States should take a very strong position, both with our allies and with the Russians. There can be no four-power conference until the Russians have withdrawn their armies from East Germany, at which time we would withdraw our armies from West Germany.

As for arms for West Germany, the President admitted that it was desirable to rearm that country just as rapidly as we could. The point was that Chancellor Adenauer was firmly and quite properly opposed to the creation of any national German army, in view of what had happened in the past. He wants no such army until it is integrated under the EDC. What we must do is to throw all our weight behind the EDC objective. However, said the President in response to a question from Mr. Allen Dulles, we should certainly inquire of Chancellor Adenauer whether he now desired, as a matter of urgency, additional armament for his police force. The President said that he would do almost anything to help the German Chancellor.

Mr. Stassen then inquired as to whether there was any possibility that we could raise in the United Nations the issue of the forceful Russian repression of these uprisings. This would be one more way of adding to the pressures which the President and the Secretary of State had been applying to the Soviets.

The President agreed that this deserved consideration.

Secretary Wilson, reverting to the problem of President Rhee, expressed his own personal opinion that perhaps the "Rhee business" wasn't really too bad.

The President replied with some asperity that if Secretary Wilson felt that way, he had better get busy and say that we approve of what Rhee has done. Certainly we couldn't ride two horses at one time.

Mr. Stassen then said he wished to point out to the Council the evermounting pressure by our allies to relax the existing controls on trade with Communist China the moment the armistice was signed. He wondered, therefore, whether this was not the time to tighten control over trade with China, and perhaps to institute a naval blockade prior to the armistice.

The President expressed no sympathy for this latter proposal, but emphasized his feeling that the Secretary of State should use every diplomatic weapon at hand in order to encourage the British and our other allies to hold the line on trade with China until the end of the political negotiations. We should do our best to impress on our allies our conviction that the existing controls on trade had been one of the main reasons why the Chinese Communists had sought an armistice, and it was vital, therefore, not to relax controls until we had achieved a settlement.

Mr. Jackson then said that he desired the Council's guidance in pulling the East German situation together and to find a policy thread upon which he could string the actions which this Government might take. Noting the hue and cry for free elections in Germany in the course of the riots, he stressed the importance of keeping this idea of free elections alive.

In response to Mr. Jackson's request for guidance, the President suggested that the Council really needed a report from the Psychological Strategy Board outlining the possible actions that could be taken under existing policy over the next sixty days or so. He would be perfectly willing to call a special meeting of the Council to take a look at such a report when it was complete. . . .

Queried as to whether or not the Bermuda Conference would be held as scheduled for June 29, the President said "yes". He had just received a message from Churchill indicating belief that the French would have a government in time, and that in any case the Prime Minister would have to be back in London by July 7.

The National Security Council:

a. Noted an oral briefing by the Director of Central Intelligence on the events leading up to the recent East German and Czechoslovakian riots, and the implications thereof for Soviet policy.

b. Discussed alternative courses of action open to the United States as a result of this evidence of popular opposition to Soviet control within the satellites, as presented by Mr. C. D. Jackson.

c. Noted that the President confirmed his authorization to proceed with the development of the Volunteer Freedom Corps (NSC 143/2) at such time as might be agreed upon by the Secretary of State and Mr. C. D. Jackson.

d. Agreed that the Secretary of State should:

(1) Inquire of Chancellor Adenauer as to his need for additional arms for the West German police forces.

(2) Consider raising in the United Nations the Soviet repression of the popular demonstrations in East Germany.

(3) Continue intensified efforts to persuade our allies to refrain from relaxing their controls on trade with Communist China in the event of a Korean armistice.

e. Requested the Psychological Strategy Board to prepare, for urgent Council consideration, at a special meeting if necessary, recommendations as to policies and actions to be taken during the next sixty days to exploit the unrest in the satellite states revealed by the recent East German and Czechoslovakian riots.

Note: The action in c above subsequently transmitted to the Secretary of State and Mr. C. D. Jackson. The action in d above subsequently transmitted to the Secretary of State for implementation. The action in e above subsequently transmitted to the Psychological Strategy Board for implementation.[2]

[Here follows discussion of items 4–5, United States actions regarding the Near East and proposals for the solution of current issues affecting national security.]

---

[2] In compliance with the instruction contained in paragraph e, subsequently designated NSC Action No. 817-e, the PSB submitted to the NSC on June 24 a summary report, designated PSB D-45, and entitled "Interim U.S. Psychological Strategy Plan for Exploitation of Unrest in Satellite Europe." The summary report was adopted with minor changes by the NSC on June 29, whereupon it was designated NSC 158. On the same date, a full-length report, also designated PSB D-45 and bearing the same title as the summary report, was issued by the PSB as a guideline for implementing recommendations for the exploitation of unrest in the Eastern European states, including the German Democratic Republic.

No. 716

762B.00/6-2553

Chancellor Adenauer to President Eisenhower [1]

BONN, June 21, 1953.

The people of the east sector of Berlin and of the East Zone have despite the use of Soviet troops and tanks risen up unarmed against the regime of terror and force and demanded their rights of freedom. Many have had to pay for their bravery and courage with their lives. Nothing shows more clearly than the outcry of these tormented people how intolerable the conditions in this area of Central Europe are. I should like to appeal to you urgently, Mr. President, in accordance with the resolution of June 10 of the German Bundestag, [2] of which the American Government was notified, to do everything in your power in order that these conditions may be done away with, the human rights which have been violated may be restored, and the entire German people may be given back the unity and freedom which alone guarantee a lasting peaceful development in Europe.

Federal Chancellor ADENAUER

[1] The source text is a copy of a translation of a letter transmitted from Bonn in telegram 2235, June 21. A marginal note on a covering memorandum from Kitchen to Hopkins, dated June 25, indicates that the translated letter was delivered to the White House on June 25.

[2] For the Bundestag resolution of June 10, see *Papers and Documents*, pp. 117–118.

No. 717

762B.00/6-2653: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, June 24, 1953—2 p.m.

1881. For HICOMer and if he considers appropriate for transmission to the Secretary.

Events in Soviet Zone June 16 through 18 have produced following results:

1. Authority which SED party exercised over East Germany has been badly damaged, momentarily and possibly for extended period.

[1] Transmitted to Washington in telegram 5486 from Bonn, June 26, which is the source text.

2. Soviet position in East Germany and internationally, which prior June 16 was strong and on way to placing West on defensive, has been seriously undermined, but probably only temporarily.

3. Large masses of East Germans, exhilarated by display of force and release of emotions, are totally disdainful of SED and partially so of Soviets at moment.

We believe that, perhaps for brief period only, rebellion of East Germans has given opportunity to deal Soviet specious blow and benefit free world. Expeditious exploitation of present situation urged as maximum provide powerful stimulus to Adenauer election victory and setback for Communists in Western Europe. At minimum would wrest initiative on unity issue from Soviets.

Several US journalists here have suggested to me that consideration be given to President's issuing in very near future public invitation for highest level Four-Power Conference on Germany at specified date 2 or 3 weeks hence, whatever minimum time required, for coordination main lines tripartite position. In view of Department's view as expressed to me on June 20 by HICOMer, I would hesitate to make that recommendation. If it is done, however, while Soviets off balance, which will not be for long, believe:

1. East Germans will maintain resistance and keep Soviets off balance.

2. Soviets will have to take choice between making major concessions and forfeiting election victory to Adenauer and initiative on unity to West.

If some such action not taken in near future believe Soviet may regain control of situation and recoup major part of lost prestige. Still seems quite likely that, in process of attempting to re-establish selves as masters of situation, they will call for Four-Power Conference before Federal Republic elections and EDC ratification.

Prime questions seem to have narrowed to who initiates call, and whether other side can afford reject invitation.

LYON

No. 718

762A.0221/6-2453

President Eisenhower to Chancellor Adenauer [1]

CONFIDENTIAL WASHINGTON, June 25, 1953.

I have received with deep interest and sympathy your message of June 21st. [2] The latest events in East Berlin and Eastern Germany have stirred the hearts and hopes of people everywhere. This inspiring show of courage has reaffirmed our belief that years of oppression and attempted indoctrination cannot extinguish the spirit of freedom behind the Iron Curtain. It seems clear that the repercussions of these events will be felt throughout the Soviet satellite empire.

The United States Government is convinced that a way can and must be found to satisfy the justified aspirations of the German people for freedom and unity, and for the restoration of fundamental human rights in all parts of Germany. It is for the attainment of these purposes that the government you head and the United States Government have been earnestly striving together. Although the Communists may be forced, as a result of these powerful demonstrations in East Germany to moderate their current policies, it seems clear that the safety and future of the people of Eastern Germany can only be assured when that region is unified with Western Germany on the basis of free elections, as we urged the Soviets to agree to in the notes of September 23, 1952 dispatched by the American, British and French Governments. [3] It is still our conviction that this represents the only realistic road to German unity, and I assure you that my Government will continue to strive for this goal.

In their hours of trial and sacrifice, I trust that the people of Eastern Germany will know that their call for freedom has been heard around the world. [4]

[DWIGHT D. EISENHOWER]

---

[1] Transmitted to Bonn in telegram 5636, June 25, and repeated to London, Paris, Berlin, and Moscow. The transmittal telegram noted that the text of the message was to be released publicly in Bonn and Washington on June 26.

[2] Document 716.

[3] For the tripartite note under reference, see Document 138.

[4] Adenauer acknowledged the receipt of President Eisenhower's letter on June 26. The text of the acknowledgment, transmitted to Washington in telegram 5506 from Bonn, June 29, reads:

"I thank you, dear Mr. President, very sincerely for your kind reply to my telegram of June 21. I am glad to be able to take from your message that complete unanimity exists concerning our attitudes towards this question which is so significant

Continued

No. 719

762B.00/8–1053

Working Paper Prepared in the Eastern Affairs Division, Berlin Element, HICOG [1]

TOP SECRET BERLIN, June 25, 1953.

ALTERNATIVE COURSES OF DEVELOPMENTS ARISING OUT OF JUNE 16 UPRISINGS IN EAST GERMANY—WHAT U.S. DECISIONS AND ACTIONS DO THEY PROMPT?

PROBLEM

To ascertain whether there is any likelihood that the course of developments following the public demonstrations in East Germany on June 16 and 17 might lead to a Soviet attempt to seize control of West Berlin; and to outline the U.S. policy decisions and actions, local and otherwise, which the current situation would seem to warrant.

[Here follow a 4-page section entitled "Background" and a 12-page section entitled "Discussion".]

CONCLUSIONS

1. *Causes for the June 16–17 Demonstrations*: The causes for the events of June 16–17 in East Berlin and Eastern Germany can be summarized briefly as follows in order of priority.

A. The Soviet-imposed policy of ruthless oppression and exploitation, executed by a group of German Communist leaders, had reached the point of diminishing returns. The abrupt attempt to reverse this policy left a vacuum which the East Germans interpreted as a sign of weakness, and which the working classes exploited when their protests against lower real wages were ignored.

B. The East Germans were enabled and encouraged to exploit the momentary period of Soviet-SED weakness due to the presence

---

for the fate of Europe and the world. At the present juncture your message constitutes for us very valuable support." (Presidential Correspondence, lot 66 D 204, "Adenauer to Eisenhower")

[1] This paper, of which only excerpts are printed here, was transmitted to Washington in despatch 83 from Berlin, Aug. 10, 1953. Enclosed with the despatch, in addition to a transcript of an RIAS broadcast of June 16 by Eberhard Schuetz, were comments on the paper by the Intelligence Office of the U. S. Commander, Berlin, July 6, by the Counter Intelligence Corps in Berlin, July 8, and by the Department of the Army Detachment in Berlin, July 20. The comments of USCOB were confined to military matters, while those of CIC dealt mostly with speculation on the probability of Soviet action against Berlin. Neither the transcript of the RIAS broadcast nor the comments of USCOB or CIC are printed.

of the Western Allies and their controlled German agencies in West Berlin. These combined forces had succeeded in keeping alive a spirit of resistance in the past. When the first signs of open resistance became apparent on June 16, these same forces were instrumental in nourishing and expanding sporadic, unorganized demonstration into a more organized and sustained public demonstration of defiance, throughout East Berlin and the Zone, ending in heavy political and material economic damage to the Soviets and SED Party in East Germany.

C. Open questions which cannot be definitively answered now with regard to cause are: (1) Did the Soviets deliberately instigate the June 16 march of the Stalin Allee workers, in order to create a convenient excuse for removing Ulbricht from the scene and changing the GDR Government and SED Party structure? Or (2) did the Soviets deliberately instigate the workers' protest to provide them with an excuse to move military forces into East Berlin either for the purpose of hermetically sealing East Berlin off from West Berlin or to capture all of Berlin.

There is considerable evidence, still inconclusive, both before and after the events of June 16–17, to throw serious doubt on the thesis suggested by the first question. As to the possibilities contained in the second question, whether the Soviets instigated demonstrations for this purpose or not, the possibility cannot be ignored that they may exploit the current situation to achieve the full split of Berlin, or conceivably to occupy West Berlin.

2. *Future Soviet Intentions*: There are three possible directions in which the Soviets can move from their present posture in East Berlin and the Soviet Zone:

A. Occupation of West Berlin: They could move from their present position into a military attack against West Berlin. It is assumed they realize this step might lead to war. What, therefore, would be the motivations for such a drastic measure:

(1) One possible motivation could be fear. Fear that RIAS and other agencies, Allied and German, in West Berlin will be able to keep the spirit of revolt alive and prevent the Soviets from establishing the degree of order and the cooperation from the East Germans they require. This local fear could be bolstered by a fear in the Kremlin that the United States may attempt to exploit the events of June 16–17 in an all-out attempt to undermine Soviet control throughout Eastern Europe, possibly ending in a military attack against the Soviet Union.

(2) A second motivation for a Soviet attack on West Berlin could arise partly out of the aforementioned fear and partly out of a conviction that the Western Powers are presently torn with dissention; and that they appear to be in the weakest political, economic and military position they may ever reach in the near future, giving the Soviets an advantage they may never enjoy again. The posture

of the West, as previously described, certainly does give the superficial appearance of disunity and weakness. The current situation in Korea would seem to be more than just a superficial sign of precariousness for the U.S. and its UN allies. The same may be true of Italy and France, although in a less immediate sense.

B. Full Split of Berlin: The same posture of apparent weakness and disunity of the Western Powers acting as a motivation for the Soviets to strike at West Berlin could, on the contrary, encourage them to bide their time, hoping for deeper fissures to grow in the defense system of the West. Under such an assumption, it would not be unreasonable for them to maintain the present complete split of Berlin with sharp and effective control of sector-sector and sector-zonal border crossing. While East Germans would still be subject to the influence of RIAS, the previous mass exodus of manpower could be reduced to a minimum and the effectiveness of the Free Jurists and Ost-Buros would be reduced. In the meantime, the Soviets would gradually learn whether or not their new economic and political policies stood a chance of achieving the desired effect. If at any time in the future, it became clear to them that even with a split Berlin the anti-Communist influence from West Berlin was too strong, they could always resort to alternative A.

C. Restoration of Free Circulation: The third course of action would be for the Soviets to attempt to restore the pre-June 16 status in East Berlin and the sector-sector borders as rapidly as possible. The current evidence with regard to this possibility is conflicting. The rapid restoration of controlled passage for workers living in one sector of Berlin but working in the other points in this direction. A desire by the Kremlin to carry through with the policies they were pursuing immediately prior to June 16, of which there have been some faint signs in their continued play upon the unity and negotiation propaganda line, would lead in this direction. However, such a policy in the immediate future would entail grave risks for the Soviets. That they recognize this and intend to be cautious would seem to be confirmed by the content of General Dibrova's letter of June 20. [2] As stated previously, this letter hints that they do not intend to restore the pre-June 16 status in Berlin unless and until the Western Powers do something about RIAS, and Kampfgruppe, and other organizations in West Berlin which they control and/or support. This will become clearer, perhaps, when and if the Western Allies receive HICOMer Semenov's anticipated note of protest.

---

[2] One of a series of notes exchanged by the Commandants of Berlin following the June riots. Transmitted to the Department of State in telegram 1723 from Berlin, June 21. (762.0221/6–2153)

It is believed that the direction in which the Soviets actually go will depend largely on what actions are taken by the Western Powers. If, in their judgment, Western actions permit them to do so, it is tentatively concluded that available evidence indicates they will continue the split of Berlin for several weeks. Then, under very gradually relaxed controls, they may cautiously approach the goal of free circulation. Unless and until they actually restore such a status, a certain at least theoretical danger exists of sudden action by the Soviets aimed at occupying the Western Sectors of Berlin.

The foregoing considerations of course automatically raise the question of reviewing the current evacuation plans for Allied dependents in West Berlin.

3. *What U.S. Policy Decisions Are Required*: As stated above, what actions the Soviets will take, will depend to some extent on the course of local developments in West Berlin. These are ultimately under the formal, if not actual, control of the Western Allied Commandants. If the Soviets want to use the present situation in Berlin as an excuse to risk World War III, a conclusion which has been tentatively excluded above, then there is little the Allied Commandants can do to hinder such a course of action. If the conclusion reached under 2 above is valid, then a series of measures could be taken locally to avoid unduly provoking the Soviets, depending, of course, on the strategy and tactics decided upon by the Government in Washington as being best calculated to achieve the ultimate aims of U.S. foreign policy.

As outlined under the discussion section dealing with external causes for the developments of June 16–17, we have powerful instruments in the form of RIAS, the Free Jurists, the Kampfgruppe, and the CDU and SPD Ost-Buro, to feed and nuture the spirit of revolt among the people of the Soviet Zone of Germany, who tasted blood June 16–17 and have not yet been brought fully under control.

If it is determined that our strategy and tactics are to be those of driving an uncompromising bargain and unconditional surrender upon the Soviets, then these instruments can be exploited to an even more powerful extent than they have to date. However, if this is done, there should be clarity as to the possible consequences. One is that it could possibly lead to war, because of basic internal weaknesses in the Kremlin. We should be prepared to meet this challenge and heavy responsibility. The alternative we must be prepared to meet is the possibility that the situation in the Kremlin is stronger than we suspect; that the Kremlin can withstand the pressures and force the East Germans into submission, gradually turning their bitterness from the direction of the Soviets to that

of the Western Allies. This process might in the end lead to the isolation of the United States from its present friends and Allies.

If our strategy and tactics are to be those of seeking an honorable and defensible compromise with the Soviets, with the aim of achieving the gradual liberation of oppressed peoples through an evolutionary rather than revolutionary process, then there are a series of measures which should be given serious consideration. Probably all of these must be determined at the National Security Council level, even though some are of a local nature.

[4.] *Four Power Conference*: The situation arising out of the local events of June 16–17, but looked at within a global framework, seems to point to both positive and negative reasons for a policy decision to have the President of the United States take an early initiative in setting a definite date for a four-power conference on the German question. If such a decision is taken and the President's invitation to such a conference makes it clear to the Soviets that there are no unreasonable pre-conditions; and that all issues, including EDC, will be open to discussion; then it is believed the following could be accomplished.

A. On the negative side (if followed up by measures aimed at judiciously controlling the activities of RIAS, the Kampfgruppe, etc.), it would go far towards eliminating any possibility of provocations in Berlin which could, by accident rather than design, push the Soviets into aggressive action.

B. On the positive side, it would force the Soviets to show their hands one way or the other. A Soviet refusal to accept such an invitation would:

(1) Practically guarantee Adenauer a decisive victory in the Federal Republic elections;
(2) Give the Western Allies the initiative on the German unity theme and facilitate the ratification of EDC.

If the Soviets accepted the invitation, it would enable the Western Allies to assess more accurately the current strengths and weaknesses of the Soviets with the result that:

(1) A compromise solution might be reached leading to the unification of Germany. It might be at the price of giving up EDC, but this would mean the withdrawal of Soviet troops from Eastern Germany at a time when the USSR could least afford the far-reaching consequences of such a move throughout the Satellite area.

Furthermore, in the light of recent events, it would mean Soviet withdrawal from Germany under conditions which would raise the odds considerably in favor of the Western Allies securing for the democratic West the future loyalty and steadfast adherence of the Germans, under a democratic Government in which the German Communist party would probably be nearly extinguished. Under such conditions, the West might afford to negotiate and pay the

price of abandoning EDC for an independent Germany with its own defense forces—not forgetting, of course, the possibility of later trying to bring this united Germany into some system of working relationships with the Atlantic Community, under another name than EDC, which for practical purposes would provide an adequate degree of integration for defensive purposes.

(2) If the Soviets turned down reasonable Western terms at such a conference, the positive gains would be the same as those gained by a Soviet refusal to attend such a conference. In addition the Western initiative would have convinced the Eastern Germans that their sacrifices during the period of June 16–17 had not been in vain. It could sustain their morale and allegiance to the West and lead them to new voluntary and spontaneous acts of defiance which would further weaken the Soviet position within and without its own empire.

It is recognized that the Soviets might attempt to prolong negotiations almost indefinitely, to gain time and propaganda effect, with no intention of finally meeting a Western position. Yet circumstances have changed considerably as the result of June 17. It would seem quite possible either to wind up the discussions within a reasonable time, or at least to direct them onto those points of substance which could be used to demonstrate Soviet intransigence publicly, if intransigence remains their tactic.

Whether or not the United States, under President Eisenhower's leadership, takes the initiative in calling a four-power conference in the near future, it is considered to be a matter of urgent importance that measures be taken:

1. To ascertain (a) whether West Berlin or East Zone Germans in organizations under control of U.S. agencies, with or without direction, bore any direct responsibility for instigating the demonstrations of June 16 and 17; (b) if they did not participate in the instigation, whether they directly attempted to influence the nature, extent and direction of the demonstrations once they began; and (c) whether controlled German agents were sent into Soviet Zone to participate in or direct the demonstrations or whether controlled agents permanently stationed within the Zone participated in any way, with or without instructions.

2. To determine as a matter of policy how far RIAS should go in its current program to the Soviet Zone, to spell this policy out in precise detail, and to establish a procedure for an effective political control of RIAS output, so that it corresponds within reason to the policy guidance decided upon.

3. To determine the plusses and minuses of the Kampfgruppe's activities, whether it should continue to receive U.S. support and, if so, what the exact scope of its activities should be, with provision for adequate control to insure that it does not indulge in activities outside the prescribed program.

4. To consider the current evacuation plan for Berlin in the light of the fact that there is a higher concentration of Soviet troops in East Berlin.

No. 720

462A.62B31/7-253: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State

SECRET PRIORITY BONN, July 2, 1953—8 p.m.

52. Reference: Bonn's 652 to Berlin repeated Department 5456 of 25 June. [1]

1. Economic and Marshall Plan Ministry officials met with Harris stating that Erhard, with consent of Adenauer, had requested them deliver following message:

2. View of real needs Federal Republic desires for humanitarian reasons to assist East Germans by gifts of food. In each of next three months Federal Republic hopes to transmit to individuals in East Zone two million food parcels. Cost DM 10 per parcel. Total for three month program DM 60 million. German Government believes that public offer of outright gift by Federal Republic would be rejected by GDR Government. Therefore, Federal Republic participation in program must be regarded as secret and some device found to obscure origin and financing. Since Protestant and Catholic churches are organized in both East and West Zones, they, therefore, are most appropriate channel to distribute parcels. Program would appear to be initiated and under responsibility of churches and not Federal Republic and, in Federal Republic's view, would be acceptable to GDR and Russians.

3. In view their desire to maintain strict secrecy regarding Federal Republic's part in program, Federal Republic cannot obtain Bundestag authorization for funds and, hence, requested DM 60 million from MSA counterpart or surplus property funds. Although Federal Republic contemplates program extending for longer than three month period, representatives believe Federal Republic's part might become matter of public information after elections and Federal Republic might then be able to repay at least some of the DM 60 million. Representatives said Cabinet would meet this week to discuss question and desired immediate reply since this is last week of Cabinet meetings.

4. Harris said MSA/HICOG has no funds available in this amount or for this purpose. Germans then asked if they could unofficially and informally borrow funds for this purpose from productivity program without protest by MSA. Harris discouraged this

[1] Telegram 652 reported that Dr. Krautwig and Dr. Woratz of the Federal Ministry of Economy were flying to Berlin on June 26 in order to study the possibility of initiating a food relief program for the Soviet Zone. (462A.62B31/6-2553)

suggestion. Germans asked if surplus property funds could be granted to Federal Republic. Harris pointed out that use of such funds would require Congressional approval. Also mentioned possibility use of US surplus commodities. Pointed out, however, that resultant public information regarding purpose of program seemed to be directly contrary to Federal Republic's desire for strict secrecy.

5. Germans seemed convinced food shortage was sufficiently serious to warrant extraordinary measures and reiterated humanitarian and political considerations impelled immediate action. (We have no doubt that food shortages do represent critical condition.) Harris stated that food shortage in East Germany was result Soviet-sponsored policies, disastrous economic policies GDR and fact Soviet army draws heavily on local food supply. He pointed out that food shipments would not appreciably alter food intake of Germans and would indirectly benefit Soviet army. He asked if motivation were political, why would Federal Republic not make open offer of food? Germans replied humanitarian aspects of more immediate importance than political and, therefore, desired to keep entire transaction secret because they are certain Soviets would reject shipments if they became aware program sponsored by Federal Republic.

6. Germans pressed for action this week in view scheduled recess of Cabinet and clearly implied they would take some action even if we refused to support them. Were advised that we needed Washington instructions before taking action.

7. We are at a loss fully understand German proposal and are not sure it represents fully coordinated plan. Only food surplus which might develop in Germany this summer would be butter. However, farm bloc pressing Erhard, and food shipments, which could include butter and meat, might help coalition politically. Conceivably canned meat in Berlin could be used for such shipments; supplies being replaced from Western Zones. However, as no current meat surplus, doubt if this German proposal could be attributed to pressure from agricultural areas.

8. Another possible explanation of source of plan is that if government is attacked during campaign for alleged callousness regarding plight of East Zone Germans, Government could point to this program as illustration of quiet effective work.

9. As Department is aware, one of possibilities being explored by Economic Ministry is to sell agricultural commodities to GDR by revision IZT agreement obtaining from GDR commodities in return for food (see reference telegram; since reference telegram Federal Republic delegate unable to meet with GDR officials).

This seems to us to be more sensible method and, unless you have objection, will inform Federal Republic on July 3 that we do

not see how we can assist them and, if they feel impelled to go ahead with the program but are unable finance food parcel idea themselves we believe the more sensible approach would be to have a direct exchange of goods.

Since preparing above, Deptel 5 has arrived. Our comments on Deptel 5 will follow. [2]

CONANT

---

[2] Telegram 5, July 1, noted that a program of offering "substantial food supplies to East Germans" was being considered interdepartmentally and asked if the objections of HICOG Berlin as presented in message BN–2677 of May 11 (Document 707) had been modified by "recent events." (862B.03/5–1153) Before HICOG was able to reply to telegram 5, the Department sent to Bonn telegram 20, July 2, conveying the message that the PSB had already approved the food program. Telegram 20 requested advice on the implementation of the program. (862B.03/7–253) HICOG replied to both telegrams in telegram 86, July 3, leaving the question posed in telegram 5 unanswered, while recommending that Adenauer be given a central role in implementing the program and proposing that the interzonal pass requirement be waived in order to facilitate the transfer of food parcels into the Soviet Zone. (862B.49/7–353)

No. 721

Department of the Army files, 338–78–0071, 337/1, B/P #6

Record of the Sixth CINCUSAREUR–HICOG Commanders Conference, Heidelberg, June 29, 1953, 1:30 p.m.

[Extract]

. . . . . .

Dr. Conant:

That brings me to the question of ratification of the treaties and the whole overall strategy of the United States Government in that regard. It seems to me that within the last few months we have heard a lot of defeatism from various sources. A number of newspaper people have come into my office and have said, "Well, of course, any realistic person knows the EDC treaties are dead, and you people are behind the times. The Chancellor is riding a dead horse in his view that he could be re-elected on the whole platform of cooperating with the Allies and getting through the contractual EDC." I venture to disagree. I can report, I think, in this group—and, indeed, publicly, too—that from the highest sources—and I use that word advisably—there is no feeling at all that we have to give up our hope of the EDC; quite the contrary, the policy of the United States Government is to continue to support in every way it can the total integration of the six nations. You know that Presi-

dent Eisenhower, before he became President, when he came over here and took that difficult assignment in NATO, said that sometime we don't see how we can defend this European situation which we must defend if you nations don't get together on a total basis. Therefore, he is committed to the whole concept of European integration. I had an interesting argument with some people very far down the line of planning staff, who I think had the argument just to bring it up, not to really search for alternatives but just to see that those who were scoffing at the National Security Council might have a run of their ideas. An interesting meeting one day which Mr. Draper, former SRE representative in Paris, and I were asked to report: this miscellaneous group of planners who represented the various departments, who are their heads in the National Security Council, and we had a go at this question—Was there an alternative to the EDC and the whole concept of European integration? I took the view very strongly that there was no alternative, and for the sake of arguing, one of the men there batted up the idea, well, let's look at France. France is a difficult country, has no government, can't seem to get it going; let's have just a military alliance between United States and Germany. Both I—and far more effectively, Mr. Draper—pointed to a map—I'm sure I don't have to for you gentlemen; least of all to General Bolte, who just came back from seeing ComZ—and said, just how do you expect to carry on a military alliance with a line of communication that runs through Bremen and Hamburg? We disposed of that argument, I think, in a very short time. In other words, when we got through, it was perfectly plain that the problem of the defense of Europe and the participation of the U.S. is the problem of getting, persuading the people involved, both France and Germany, to work together. That is the only run-long solution, I am convinced, and by no means one that we've given up hope on. For the moment, we're in a period where perhaps nothing can be done for the next few months. The French Government has just been reformed. We're in a period of German elections. Necessarily, we're in a time when, politically, you can't get forward with certain aspects of this French-German problem. You can't expect that in a time of elections here in Germany to have realistic discussions of the problems respecting those two countries, because anything that the Chancellor might say would be used by the opposition to say, well, he's willing to sell this part of Germany for the sake of European unity. Therefore, we just have to live through the time until the general elections are over, which I think are scheduled now for the 6th of September. But when that is over, I for one, have great hopes and even confidence that we can then get forward with the matter

which has been postponed and then lay the next step for getting the EDC treaties ratified as part of the total European integration.

And then to complicate the matter, as you all know, since I last met with you things have happened in the East Zone. I think I reported when I was here last [1] that my appraisal of what had gone on in 12 months in the East Zone in the sovietization was that very rapid steps had been taken by the Government to sovietize that whole part of Germany. I think I mentioned what they were. When I went back to the United States just three weeks ago, that was still the story which I could tell, and I had hardly been there three or four days and, as you know, the Russians turned around, as they can on a dime, and announced that they essentially agreed with our diagnosis, that it was too bad they had done all these things and they were going to undo them all. Then, before anybody had a chance really to answer that, came the uprisings in Berlin—the demonstrations—and all through the East Zone. I'm not going to describe them because General Timberman is here and can give you a first-hand account. There's no use of my repeating to you what he had told me. I do want to—if I may say so—congratulate him and the others in Berlin for the effective, cool-headed way in which they have handled these difficult days. I think the situation there has been very well handled, indeed, both by the Allied Commandant and by the people of Berlin and the mayor. I will only comment, if I may, on what seems to be the repercussion. It is natural that the Germans are very proud here in West Germany of the stand that was made in East Germany. Almost every German that I have talked to has said that it proved one thing, and that is that the Soviets were not able to despite 8 years of occupation to get any appreciable number of people in the East Zone to their way of thinking. They have sovietized the Zone in material matters, but not the spirit. I think that's true, and I think we can congratulate the Germans living there on this fact and on their spirit, as shown by the demonstrations. On the other hand, there is the economic factor that we wouldn't say too much about politically. It seems to be clear from the evidence that a good deal of the unrest is due to the fact that the food conditions in the East Zone have been even worse than some of us had imagined from what we heard. The Soviets have got a dilemma. For the first time perhaps in some time they've got a problem on their hands. On one hand, they've announced that they want to have a softening of their policy in the East Zone. They want to say this is going to be a free, democratic country; you can protest. On the other hand, they've got people

[1] A record of the fifth Commanders Conference is in Department of the Army files, 338–78–0071, 337/1, B/P #5.

who dislike the leadership, are dissatisfied with the conditions that have been going on. And it's never proved easy in history for a tyrant to relax his grip; and, therefore, one could predict that they will continue to have difficulty. From our side, we certainly don't want to do anything that will cause any more bloodshed; we don't want to incite real revolts and insurrections. At the same time, we certainly don't want to applaud the Russians in any further attempts in repression of freedom. As to the effect on the West Germany elections, the stand in East Germany has had repercussions here. The opposition to the Chancellor, coming on as they are to a vigorous election, has made the most of it, and German unification has now become a dominant word. There seem to be some people in the opposition and in Berlin who, I believe, are really suffering from a delusion; they seem to think we can talk the Russians out of the East Zone, which, to my mind, is a delusion. Getting Germany reunified is something we can't solve overnight. For the moment, therefore, I'm afraid we're going to hear a good deal of fairly unrealistic discussions in West Germany about German reunification. But, after all, we've all gone through election years in our own country, and it's not the time in which the most realistic and hard-boiled analysis of any problem is likely to occur. Just how that will be met by the Allies remains to be seen. Postponement of the Bermuda conference [2] may or may not be a good thing. The Germans are expecting a little more than I think is possible to accomplish, from our point, and I think I'm reflecting the administration's point of view. Eventual reunification of Germany is surely our objective, but as part of the Western European integration. Without emphasizing unduly the EDC, which we all want ratified as soon we can, by putting emphasis on the Schuman Plan, the political community, I think the majority of the Germans in the Western section will be convinced that their future lies not in the neutralized state between Russia and the West, certainly not as part of the Russian orbit, but rather as part of the Western European integration.

Well, that sums up the situation as I see it here. We'll know more perhaps when we meet a month from now as to the German reaction. I suggest we must discount a good deal of what we read and hear in the next two months. The Bundestag will adjourn shortly. There's going to be a great debate on foreign affairs on Wednesday, in which the Chancellor and the opposition will join issues on. The election law has been passed. I think most of the problems will be postponed until after September.

---

[2] The Bermuda Conference was postponed due to Churchill's illness.

Have I left out any important matters that I should report on? Well, if not, then may I ask General Timberman to give us first-hand account of the historic events—and I think they were—that occurred in East Berlin and the East Zone a little more than a week ago?

Gen Timberman:

The disturbance in Berlin began with a few hundred workers on the Stalin Allee apartments who were objecting to an increase of 10 per cent in their norm, in their quotas. They marched down to the government building on Leipzigerstrasse, and there they were joined by a few hundred more. At that place, the minister for power did address them. He did state that possibly they did have a grievance, and at that, the meeting more or less dissolved. However, during the late afternoon and that evening, word got around about the tremendous meeting down in the middle of the city. The next morning found many thousands assembling, probably taking courage from the statements of the DDR government, as well as the apathy of the Vopos in forbidding or prohibiting their marching. Anyway, in any event, the next day by noon, many, many thousands were assembled in various parts of the East Sector. Their actions then became characterized by hooliganism and much burning. They set fire to a couple HO stores, pulled down the banners, carried banners saying we're through with slavery; we want unity and better conditions for the workers. At that particular time the police seemed to be completely undependable. Later General Dibrova declared martial law at one o'clock, and the word went out in the early part of that evening that the 1st Mechanized Div began moving into the city. Many events took place that are hardly believable from a week before; for instance, the climbing of the Brandenburg Gate—several youths pulled down the Soviet flag right in the face of the Soviet soldiers, climbed up on a few of the tanks that had gotten in there by that time, tried to pull the aerials off, and it was rather amazing to find that the Russians didn't shoot them. This brings in the point that the soldiers there had, evidently, been given strict orders of great restraint, and it certainly was a very moderate reaction they took to a thing they had probably never seen before in their lives. Across the way from Brandenburg Gate there were 40–50,000 West Berliners who had assembled. They were told over loudspeakers to disperse; they did not do so, and the Russians did not fire. There was a little firing by the Vopos. It spread very rapidly, and by the next day we also heard that in many other areas of the Zone they had taken up the cry—in Halle, the troops were dispatched there—in Magdeburg,

Leipzig, Jena—and there were some indications that they were interfering with traffic on the roads.

By the next evening, the third day, they had moved in the remainder of the 1st Mechanized Div and the 14th Mechanized Div. We found that on the third day there were two mechanized divisions completely in the East Sector. After their arrival, the situation evidently came under control. However, there did continue to be sporadic shooting, some machine gun fire, presumably from the Russian troops themselves, but mostly rifle firing. A lot of the firing of the Russian troops was over the heads of the demonstrators. On the first two-three days, of those who came to the West Sector, there were 7 killed and 123 wounded. However, there were many more. From reports coming out, there were 2–300 executed in the East Sector and the East Zone. We have no tabulations yet as to the number actually killed in the East Sector of Berlin.

The Allied Commandant, of course, immediately refuted the allegations that the Allies were instrumental in provoking the demonstration—particularly, most of it was pointed at the Americans. On Saturday the High Commissioners joined us in requesting that the free circulation of the city be established and communications be established. You know, at the moment there are only three crossing points, one in each sector. The S-Bahn and the U-Bahn does not run, nor the trolley service; and, of course, for many months the telephone service has been completely cut off.

From the West police point of view, I have great confidence from the way they acted and the efficiency with which they acted. We had some 110,000 people practically right on the border of the U.S. Zone and the Eastern Sector of Berlin. The police handled it admirably; it was dispersed. It was a quiet demonstration. A few speeches were made, noninflammatory, by their leaders. It was very encouraging to see the way in which the West Berlin police handled a very, very delicate situation. At the Schoeneberg Rathaus, where they demonstrated their sympathy for the seven who had been killed, they had the coffins there, the speeches were very moderate. As a matter of fact, the whole crowd seemed to have a deep feeling of a real religious ceremony. They moved very quietly over to the British Sector of Wedding, where they had the funeral, and that, likewise, was characterized by the same manner. You couldn't escape the thought that there was tremendous deep feeling among the West Berliners. It was quiet, but certainly you could see that, in view of the happenings of the four-five days previous, there was a grave concern.

Of course, the $64 question is what is going to happen now. As we look at it, certainly, the Russian military have it completely under control. Secondly, although there is calmness, there is also

tenseness both in the East Sector and West Berlin as well. When the Russian military remove these controls and the power of the three mechanized divisions, whether that will encourage the East Berliners again to reopen the problem probably has a lot to do with how the Soviets or the GDR handle the situation. To relax is the line in which the East Berliners will probably be placated for the moment. It may keep the situation under control. On the other hand, certainly, I think their temper is such that if there are any broken promises or just some superficial reforms, we may see more trouble. Certainly, the spark of inflammable material is there.

. . . . . .

No. 722

Eisenhower Library, C. D. Jackson papers, "1931-67"

Memorandum by the Special Assistant to the President (Jackson) to the President

WASHINGTON, July 3, 1953.

EAST GERMANY

Something new is developing in Germany which could have serious results unless action is taken fairly soon. The simplest way to describe it is to quote a headline from Monday's *New York Times*—"Adenauer Regime Under Fire for Inaction on Riots in East." The full story is attached if you want to read the detail. [1]

The other day Bishop Lilje, the top Lutheran in Germany, came to see me at Hauge's suggestion, and quite independently and much more pleasantly, made the same point—namely, that unless some sign is forthcoming very soon from the United States, there could be a terrible letdown in both East and West Germany, which would seriously affect the U.S. position and even more seriously affect Adenauer's position. [2]

In other words, the very thing that was so gratifying, i.e. that these German developments were spontaneous and not engineered from the outside, is now about to bommerang because we have not moved in, and apparently the statements by the Western Commandants in Berlin were not considered sufficiently high level, and the

---

[1] Not found attached to the source text.

[2] A further account of Lilje's activities in Washington is contained in a memorandum by Fuller to Bowie, Document 202.

exchange of cables between you and Adenauer seems to have gotten lost in the shuffle. [3]

Had Bermuda taken place when and as originally planned, it might have been possible to produce a communiqué on this matter. Even if the Foreign Ministers address themselves to this problem and issue a communiqué or statement, it could not compare to what would have been a Bermuda communiqué. Churchill is ill and out of the running; Laniel doesn't know the international ropes, and in all probability the French would drag their feet anyhow.

The situation therefore opens up for you to take some kind of personal action without being accused by our allies of unfair unilateral action.

Attached is the draft of a possible letter to Chancellor Adenauer, into which I have tried to inject the elements of sympathy, peaceful help, encouragement, free elections, unification, and EDC (the neatest trick of the week). [4]

This memorandum and the attached draft have not yet been coordinated with State.

---

[3] Reference is to Adenauer's cable to President Eisenhower, June 21, Document 716; Eisenhower's response of June 25, Document 718; and Adenauer's acknowledgment of June 26, quoted in footnote 4 to Eisenhower's response.

[4] The draft letter is not printed. According to a memorandum by Under Secretary Smith to Jackson, dated July 9, the Secretary of State had advised on July 8 that the letter not be sent until the Foreign Ministers meeting of July 10–14 had issued a communiqué. (762A.13/7–653) Jackson's draft letter was subsequently revised in order to serve as an expansion of the points made regarding Germany in the communiqué. For the letter as it was finally sent to Adenauer on July 23, see Document 207.

No. 723

Secretary's Letters, lot 56 D 459, "F–G"

Memorandum by the Director of the Bureau of German Affairs (Riddleberger) to the Secretary of State [1]

CONFIDENTIAL [WASHINGTON,] July 3, 1953.

Subject: Proposal to Offer Food to East Germans

With reference to your memorandum of June 30, [2] concerning a proposal to have the United States Government offer food to the

---

[1] Drafted by Montenegro.

[2] This memorandum noted that Dulles had been asked at a news conference if "thought had been given to offering food to residents of East Berlin" and had requested that GER explore the idea. (862B.49/6–3053)

East Germans, the following is the present status of this suggestion:

1. At a meeting of the Psychological Strategy Board on Wednesday, July 1, (at which General Smith was present) a proposal that such an initiative be undertaken, advanced by Mr. Allen Dulles, was informally approved in principle. [3] GER has been instructed to coordinate exploratory work in the Department and interdepartmentally.
2. GER has requested our authorities in Germany to provide views and information. Replies are expected by Monday, July 6.
3. An interdepartmental meeting was held today in GER with representatives of interested agencies and bureaus of the Department. General agreement was reached on basic aspects of the proposal and an initial report is being submitted to the Undersecretary on the results of this meeting, which recommends that formal approval be given to the project by the Psychological Strategy Board, and that GER be charged with coordination with agencies concerned and within the Department. [4]

---

[3] A record of this meeting is in PSB files, lot 62 D 333, "Record of Meeting".

[4] The report is printed as Document 725. For a record of the discussion of the proposal by the PSB, July 8, see Document 726.

No. 724

762B.00/7-753: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Department of State

CONFIDENTIAL PRIORITY BERLIN, July 7, 1953.

35. During early evening hours July 7 RIAS began receiving reports from East Berlin sources that workers in Stalinallee, Lichtenberg, Koepenick (East Berlin) and Hennigsdorf and Wiessensee (Soviet Zone–East Berlin border) started heated discussions leading to demands for release their arrested colleagues. According current reports workers:

1. Demanded release of colleagues by tomorrow July 8.
2. If demands not met, workers threatened call general strike again and carry demands to Government by demonstrating on streets till colleagues set free.

NWDR radio station carried reports of foregoing in early evening broadcast to zone. RIAS did not, waiting for clearer picture and more confirmation. By 9 p.m. reports began coming from so many different sources, became apparent something might break tomorrow and possibly end in more bloodshed. This supported somewhat by West Berlin confirmation regular Vopos on sector borders sud-

denly replaced with KVP (military police units) and as yet unconfirmed report Soviet tanks again in place at Alexanderplatz.

Following conference with Ambassador Conant and Theodore Streibert and with their approval decided RIAS would do following:

1. In 10:15 p.m. newscast describe briefly reports re East Berlin workers discussions and demands.
2. In commentary following newscast:

(a) Remind workers of Minister Justice Fechner's recent confirmation workers guaranteed right to strike.

(b) Warn workers that street demonstrations under present circumstances would probably lead to shooting and needless bloodshed.

(c) Advise workers that their efforts achieve release their colleagues should be restricted to exercise in their factories or work places of right to strike and refuse work, since this would avoid bloodshed, be within legal framework and put effective pressure on government achieve their just demands.

LYON

No. 725

862B.49/7-753

Memorandum by the Director of the Bureau of German Affairs (Riddleberger) to the Under Secretary of State (Smith) [1]

SECRET [WASHINGTON,] July 7, 1953.

Subject: Food for East Germany

The following report on the plans which have been developed on the proposed shipment of food to Eastern Germany is transmitted for your information and for discussion at the luncheon of the Psychological Strategy Board on Wednesday, July 8th. [2]

Method of Initiation

It has been determined that the best possible method of initiating the project is to ask Chancellor Adenauer to send a request to the President for food for the East German population. The President would then respond by sending a note to the government of the USSR, to be delivered at Moscow, in which he points out that the United States is anxious to help those in need of food; that the United States has always put humanitarian considerations in the forefront of its political actions and that the United States feels a

[1] Drafted by Straus.
[2] See *infra*.

special responsibility in this case as a co-occupying power in Germany.

Other possible approaches have been considered but none seem to have the psychological and political advantages which this approach seems to offer. An approach through the High Commissioners would automatically require a tripartitely coordinated position which might be difficult to obtain, aside from the fact that the Western High Commissioners have not yet established normal relations with the new Soviet High Commissioner for Germany. If humanitarian considerations were to take precedence over the psychological advantages to be gained and the amount of food to be offered were to be reduced considerably, the E area believes that without United States governmental intervention and by unobtrusive methods through church circles, some food could be gotten into Eastern Germany.

Food Available

The bulk of the food shipments will probably come from United States surpluses including grain, soy bean oil, lard, sugar, dry skim milk and some meat. Initially, while shipment of these foods is in progress, some army "C rations" now available in Europe and some food from a stockpile in Vienna now being liquidated could be shipped to Eastern Germany to prevent any significant delay in the arrival of food. We believe that the total food shipments should be in the value of approximately $15 million.

Distribution

The method of distributing the food in Eastern Germany will be decided upon after Soviet acceptance, if it should take place. We would then try to meet Chancellor Adenauer's ideas which call for a distribution of the food through the Protestant and Catholic churches. The food should be slated for distribution primarily in urban centers and other disaster areas and should be designed to relieve the food situation through September when the new harvest will have been brought in. This would alleviate the immediate crisis but cause no long-range change in the deteriorating economic conditions in the East Zone.

Legislation

We believe that satisfactory legislation will be available, subject, of course, to Congressional consultation. Specifically, Section 114(h) of the MSA Act for 1953 and Section 513(b) of the MSA Act for 1954 can be cited as authorizations for this type of program. The Kersten Amendment also provides authorization but the Legal Advisor would prefer not to cite it. The transfer of funds under the authorization is now being explored by MSA.

Coordination

We have kept High Commissioner Conant and Ambassador Bohlen fully informed of our plans. The British and French Ambassadors should be informed in order to permit our statement to indicate that the United Kingdom and France have been consulted and agree with our offer.

Immediate Procedure

Should the Psychological Strategy Board approve the project substantially as outlined above, we have arranged with High Commissioner Conant that on the basis of the telephone call on Wednesday afternoon, July 8, he will request Chancellor Adenauer to send a message to the President asking for the food shipment. [3] As soon thereafter as Embassy Moscow can make arrangements, a note offering the shipment substantially as outlined in paragraph 1 above will be presented at the Foreign Office in Moscow. This note would be released by the President on Friday or Saturday, thus permitting us to take action on this project this week. [4]

Recommendations

It is recommended that you present this progress report to the Psychological Strategy Board at its luncheon on Wednesday, July 8, and recommend approval of the project substantially as outlined above.

Following approval of the project as outlined above, a text of the note to be delivered by Embassy Moscow and a text of the press statement to be issued by the President will be prepared.

---

[3] For the note from Adenauer, see Document 727.

[4] For the note to the Soviet Government, see Document 728.

No. 726

PSB files, lot 62 D 333, "Record of Meeting"

Memorandum of Informal Meeting of the Psychological Strategy Board on July 8, 1953, by the Acting Director of the Psychological Strategy Board (Morgan)

TOP SECRET WASHINGTON, July 8, 1953.

Place: Office of the Deputy Secretary of Defense

Present: Messrs. Jackson, Smith, Kyes, Dulles, Stassen and Morgan.

Agenda Item 1. Report from the Under Secretary of State on the Advisability of Food Relief for East Germany

The Board approved the plan [1] to ship food to Eastern Germany developed by an inter-agency working group chaired by Mrs. Eleanor Dulles, subject to changes noted in sub-paragraphs b, d, and f, below. Principal features of the plan are:

a. That Ambassador Conant be instructed to suggest to Chancellor Adenauer that his request for food be addressed directly to the President.

b. That the President reply to Adenauer along the lines of the draft which has been prepared by the working group, *except* that synagogues be mentioned along with Catholic and Protestant churches as suggested distribution agencies if appropriate to conditions in East Germany. A direct approach to the Soviet Government which is proposed in the draft reply is believed to be most suitable under the circumstances.

c. That the bulk of food be taken from U.S. agricultural surpluses in this country, supplemented by surplus Army C-rations now available in Europe, and possibly some food from the Vienna stockpile.

d. That the distribution should be through the German churches (and synagogues if appropriate, as stated above), but that "charitable organizations" *not* be mentioned for this purpose lest the Soviet Government seize this opportunity to utilize communist fronts.

e. That appropriate members and committees of Congress be consulted.

f. That the British and French Ambassadors in Washington be informed, but that endorsement of their governments should *not* be requested because of the probable delays involved.

g. That the inter-agency working group which developed the plan be assigned action on it.

Mr. Stassen agreed to make funds available and to assign a project manager to superintend operations. Mr. Kyes offered to make military air transport available to fly in at least some initial shipments of food for spectacular effect. He asked me to let him know what specific requests were to be made along this line and also with regard to amounts and destinations of surplus Army C-rations.

[Here follow discussion of sending a Presidential representative to the Perry Centennial Celebration in Japan and several remarks on other business.]

---

[1] *Supra.*

No. 727

862B.49/7-1653

Chancellor Adenauer to President Eisenhower [1]

CONFIDENTIAL BONN, July 4, 1953.

212-10 II 9438/53

MY DEAR MR. PRESIDENT: During recent months, we discussed repeatedly the position of the population in the soviet-occupied Zone. You are therefore aware that the Federal Government does not only watch with serious apprehension the steadily increasing political pressure to which the Germans living there are subjected, but that the steadily deteriorating food supply in the Soviet-occupied Zone fills the Federal Government with growing anxiety. It is true that the events of 17 June 1953 have prompted the rulers of the Soviet Zone to announce, in this particular field, certain relaxations, but according to information received by us it is extremely doubtful whether the Communist rulers are actually willing—or able—to fulfill these promises. Therefore, the food supply of the Soviet Zone must continue to be regarded as definitely endangered.

As it is, the Federal Government is, unfortunately, unable to remove the political pressure weighing upon the people in the Soviet Zone. However, it feels itself under an obligation to do everything in its power to at least protect the population from hunger as far as this will be possible.

The Bundestag, too, dealt with this question during the last few days, and requested the Federal Government on 1 July by a resolution to take all possible measures to ensure as speedily as possible an adequate supply of food for the distressed Soviet Zone and East Berlin.

The Federal Government therefore intends to make available funds on a large scale for food supplies to be sent to the Soviet-occupied Zone. The churches and charitable organizations will be entrusted with the implementation of this action so as to ensure that these food supplies are used for the intended purpose.

---

[1] On July 4, Adenauer had addressed a letter, apparently unsolicited and, except for two minor stylistic changes in the first paragraph, the same as the one presented here, to Conant. Conant received the letter the evening of July 6 and transmitted its text to Washington in telegram 119 from Bonn, July 7. (862B.49/7-753) Having received and complied with the instruction contained in paragraph a of the memorandum, *supra*, the evening of July 8, Conant received from Hallstein the same evening the authorization to change the addressee to President Eisenhower. (Telegram 145 from Bonn, midnight, July 8, 862B.49/7-853) The source text was transmitted to Washington in despatch 208 from Bonn, July 16, 1953.

I should much appreciate it if the U.S. Government, too, were prepared to participate in this aid action which is in the interest of the entire Western world. May I, therefore, pose the question whether you would be willing to contact the competent U.S. agencies in this connection.

With kindest regards, I remain,

Yours very truly,

ADENAUER

No. 728

862B.49/7-753

The Embassy of the United States to the Soviet Ministry for Foreign Affairs [1]

SECRET

Moscow, July 10, 1953.

I have been instructed by the President to convey to you his deep concern with the conditions existing in the Soviet Zone of Germany and the increasing hardships to which the population of that area is being subjected. The government and the people of the United States are especially concerned over the steadily deteriorating food supply for the population of that area which has been an important factor in recent demonstrations against the local authorities.

The United States has traditionally sought to alleviate suffering, starvation and disease wherever it might be found. Because of its position as an occupying power in Germany my government has a legitimate interest in the welfare of the people of Germany. The urgent need for aid for the people in the eastern part of Germany has been brought to the attention of my government by its High Commissioner in Germany and also by Chancellor Adenauer.

Mindful of these needs, my government has, therefore, decided to offer to the Soviet Union as the occupying power for distribution to the population of Eastern Germany shipments of food amounting in value to approximately $15 million and consisting of grain, sugar, lard, soy bean oil and some other commodities.

Details as to the methods of distribution and places of delivery can unquestionably be worked out by the staffs of our respective

---

[1] Transmitted to Moscow in telegram 32, July 9. In telegram 50 from Moscow, July 10, O'Shaughnessy confirmed that he had delivered the note to Vyshinsky for transmittal to Molotov at 9:30 p.m. on July 10. According to the telegram, Vyshinsky's only comment upon receipt of the note was: "I don't know from what sources President learned of situation requiring alleviation in East Germany." (862B.49/7-1053) The note was released publicly in Germany and the United States simultaneous with its delivery to the Soviet Government.

High Commissioners in Germany, and the United States authorities there will approach the Soviet authorities for this purpose as soon as the Soviet Government has reached a decision in this matter.

The Governments of the United Kingdom and France have been informed of this offer.

I trust that you will inform me of the acceptance of this offer by the Soviet Government as quickly as possible so that the food shortage afflicting the East German population may be alleviated speedily. In order that no time be lost during this grave emergency, the initial shipments of food will be transported to the zonal and sector boundaries in Germany beginning immediately.

Accept, etc.

No. 729

Presidential Correspondence, lot 66 D 204, "Eisenhower to Adenauer: Correspondence"

President Eisenhower to Chancellor Adenauer [1]

WASHINGTON, July 10, 1953.

MY DEAR MR. CHANCELLOR: The receipt of your letter of July 4, 1953, [2] in which you outlined the serious situation existing in the Soviet Zone of Germany concerning the supply of food for the population, has confirmed reports which I have received from High Commissioner Conant and which have been of considerable concern to me over the past few weeks.

I am, therefore, anxious to respond affirmatively to your appeal that this Government join you in aiding the people of East Germany in this hour when many of those demonstrating are demanding more food.

I have, therefore, today instructed the American Chargé d'Affaires in Moscow to offer the Soviet Government shipments of food for distribution to the population of East Germany. I have suggested that arrangements for the distribution be made between the staffs of the United States and Soviet High Commissioners in Germany and that considerations be given to distribution through German religious institutions.

I sincerely hope that this effort on our part to relieve the plight of the people in East Germany will be welcomed by the Soviet Government.

Sincerely yours,

DWIGHT D. EISENHOWER

---

[1] The text of this letter, released to the public on the evening of July 10, was transmitted to Bonn in telegram 117, July 9. (862B.49/7-953)

[2] Document 727.

No. 730

862B.49/7-1153

Foreign Minister Molotov to the Chargé in the Soviet Union (O'Shaughnessy) [1]

RESTRICTED Moscow, July 11, 1953.

DEAR MR. CHARGÉ D'AFFAIRES: In your letter of July 10, [2] it is said that President USA is allegedly concerned over food situation in eastern part Germany and that Government USA has assigned $15 million for sending and distributing certain food products among population this part Germany.

In connection with this, I consider it necessary to call attention Government USA to following:

From your communication, it is clear that Government USA has been incorrectly informed regarding situation in eastern part Germany. In this it is impossible see anything unexpected inasmuch as you state that information regarding Eastern Germany has been received from such sources as American High Commissioner in Germany and Bonn Chancellor Adenauer, who bear chief responsibility for infractions social order in eastern part Berlin which you mention. If on June 17, there had not been organized on their part dispatch from American Sector Berlin of whole groups of hirelings and criminal elements for setting fire to food and other stores, for attacking officials state institutions GDR and so forth, then in general there would have taken place no infractions order in Berlin.

From your letter it is also evident that Government USA took decision re sending $15 million worth food products even without having asked opinion Government German Democratic Republic in this connection. Such manners at present time would insult even population of a colony, to say nothing of German people and its legal Democratic Government.

From all this it follows that in given case, Government USA has not shown any sort of solicitude re food supply German people, but has decided to resort to propaganda maneuver having nothing in common with concern for real interests German population.

By present letter, I request you transmit Government USA that on strength stable friendly relations established between Soviet

---

[1] Transmitted to Washington in telegram 58 from Moscow, July 11.

[2] Document 728.

Union and German Democratic Republic, Soviet Government has even earlier given food assistance to German population. Soviet Government is also ready in future, when there shall be need of it, to grant population GDR all necessary food and other assistance in correspondence with existing agreement between Governments USSR and GDR.

MOLOTOV

No. 731

862B.49/7-1653

Chancellor Adenauer to President Eisenhower [1]

SECRET BONN, July 13, 1953.

MY DEAR MR. PRESIDENT: Your letter of July 10 [2] has been conveyed to me through Ambassador Conant. Your generous offer to relieve the want of the population of the Soviet Zone through immediate and extensive deliveries of foodstuffs has touched me deeply. This spontaneous demonstration of humane readiness to help, which is in the best traditions of the American people, has caused great joy in all of Germany, and especially has given new hope and new courage to the people in the Soviet-occupied Zone of Germany. I should therefore like to express to you, not only in the name of the Federal Government but also in the name of the entire German people, my heartiest thanks.

It is with regret that I have learned that the Soviet Government has refused its cooperation of the relief action which you had planned. I would like to request that the delivery of foodstuffs not be withdrawn on account of this refusal. On the contrary, I wish to express the hope that the foodstuffs may be placed at the disposal of the Federal Government, which for its part will do everything to use them in the most effective way possible for the relief of the suffering of the population who have fallen into need as a result of the situation in the Soviet Zone.

Accept, [etc.]

ADENAUER

---

[1] Transmitted to Washington in despatch 208 from Bonn, July 16.

[2] Document 729.

No. 732

862B.49/7–1753: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, July 17, 1953—6:20 p.m.

224. Washington wishes to push food for East Zone along two lines recognizing two different groups of problems:

One, with respect to action in Germany to make food available all possible caution must be observed to see that no existing channel is impaired, no intermediary is endangered, and access through Berlin not further restricted. Specific arrangements in this matter must be developed in Germany and Washington should be informed while leaving decisions in this field to you.

Two, consistent with above and we hope, facilitating achievement of humanitarian objectives, a second note should be addressed to the USSR. This note should again stress firm determination and practical measures and to relieve distress. It should ask USSR to make specific proposals without indicating our readiness to accept any particular type of proposal in advance. In general, efforts should be to keep matter alive and at each stage to indicate practical capabilities and sympathy for people in need.

Three, as a means of increasing sharpness of challenge and evidencing desire of practical steps, we are suggesting a member of your staff meet with member of staff of Soviet High Commissioner at date acceptable to you on or near July 22.

In all our communications we should stress humanitarian aspects of offer and not political.

Your comments on above paragraphs will be studied to determine what modifications in this procedure are desirable and whether or not note is suitable for immediate delivery. Plans for release if possible July 20.

Suggested text of note next following message. [2]

DULLES

---

[1] Drafted by Eleanor Dulles and cleared with Lewis, Huyler, Straus, and Thurston of State and Jackson of the White House. Repeated to Berlin and Moscow.

[2] Telegram 225 to Bonn, July 17, repeated to Berlin and Moscow, transmitting a draft letter to be delivered to the Soviet Government, is not printed. The letter expressed the President's regret that the food offer had been rejected, renewed the invitation to joint U.S.-Soviet cooperation in the program, and declared that the United States had already begun the procurement and shipment of the food. (862B.49/7–1753)

No. 733

862B.49/7-1853: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET NIACT BONN, July 18, 1953—4 p.m.

290. Limited distribution. To Secretary and Riddleberger from Conant. Re Deptels 224 and 225 sent Bonn July 17 repeated Berlin 44 and 45, Moscow 53 and 54. [2]

I strongly doubt the advisability of new note proposed in paragraph 2 reference cable although I recognize that there may be broad considerations not fully known to us here.

So far as reaction in Western Germany is concerned, I should advise unhesitatingly against the note. Adverse reaction to first note appeared not only in SPD press as expected but to some extent among conservative press, e.g. "Food, yes. Propaganda, no." I think reaction to second note at this time would be almost universal that it is propaganda. Since Soviets are almost certain to reject our offer press will argue it could have had no purpose except propaganda.

As against this, actions now under way, e.g. arrival of US food and actual increase of deliveries to Eastern Sector and Eastern Zone population, with muted publicity, will make excellent impact on Western German public. Very fact we do not attempt propaganda drum-beating will be in itself favorably received.

In my view this operation to date has been successful and there are reasonable chances of further success. If, however, continued publicity and obvious propaganda moves are continued, disastrous condition can develop from both psychological and humanitarian points of view. Political and psychological objectives will become even more obvious and, the more obvious, the less effective they become. Furthermore, severe Soviet reaction on current parcels shipped through private organizations might result. If so, we would have large stocks of American food sitting uselessly in Germany, and stoppage of parcels to hungry people. This would occur in middle of Adenauer's re-election campaign.

As matter of fact, if Reuter's judgment correct, we can probably publicize rather heavily the Berlin operation described our 280 July 17 (repeated Berlin 52, Moscow 21). [3] While no firm campaign

---

[1] Repeated to Berlin and Moscow.

[2] Telegram 224, *supra*. Regarding telegram 225, see footnote 2, *supra*.

[3] Telegram 280 reported that Thedieck, the State Secretary in the Ministry of All-Germany Affairs, had been appointed coordinator for the food program in the

Continued

can be worked out except as operation develops, I can picture RIAS inviting East Zone population who visit Berlin to come across sector border and get food package, and VOA broadcasting how many food packages picked up. If Soviet Zone authorities confiscate packages, that will also make excellent publicity. US participation need not be continually advertised. This chance of publicity does not, of course, apply at present to charitable organization shipments on which we must maintain complete silence.

I realize Western German reaction is perhaps less important but doubt this note will constitute great gain either in Eastern Germany or satellites. Eastern Germany will be most interested in actual receipt of food and any Soviet action which keeps it out. I do not think they will react strongly to note and rejection, but are more likely to react to possible RIAS and VOA broadcasts suggested above. So far as satellites concerned, I would not have thought note and rejection would make much impression on them nor that they would be greatly interested whether Germans get more food or not. Germans are still enemies to most of them.

To extent I can judge from general attitude our British and French associates here, additional note will be considered as purely propaganda and as "needling" at a time when they think calm is desired.

As against foregoing, I recognize note would undoubtedly somewhat embarrass Soviets and tend keep them off balance, and conceivably impede them in dealing with German problem. The importance of such a consideration is difficult for us to assess in Germany.

If final decision is to send note, I believe I should approach Semenov with proposal for technicians meeting (paragraph 3, first reference cable) before Soviets have chance to reject note. This would require prior advice from Moscow to delivery time of note. [4]

In addition, suggest amendment in paragraph 2 of note, as follows: "US requests Government USSR to reconsider the possibility of developing practical methods".

CONANT

German Government; that four distribution plans were under study in the Federal Government; that HICOG and the German Government needed to know the status of food procurement and shipment; and that publicity concerning the food program had to be phrased in such a manner as to leave the impression that the program was a German, and not primarily an American, undertaking. (862B.49/7–1753)

[4] The question of sending a second note to the Soviet Government remained under consideration in the Department of State for the remainder of the month. On Aug. 4, the Department sent to Bonn in telegram 441 a revised draft note. For a description of this note and for an account of its disposition, see footnote 1, Document 742.

No. 734

Presidential Correspondence, lot 66 D 204, "Eisenhower to Adenauer: Correspondence"

President Eisenhower to Chancellor Adenauer [1]

SECRET WASHINGTON, July 20, 1953.

MY DEAR MR. CHANCELLOR: I share the regret expressed in your letter of July 13, 1953, [2] at the refusal of the Soviet Government to admit the food which the United States Government offered the East German population in response to your appeal of July 4. [3]

Immediately after the receipt of Mr. Molotov's rejection of my offer, I made it clear that the offer continues to stand and that the food continues to be available. Since it is our joint purpose to aid the people of Eastern Germany in spite of the obstacles which the occupation authorities of that area have created, I have directed the Secretary of State and the Director for Mutual Security to place quantities of these foodstuffs at your disposal for use in relieving the suffering of the people of Eastern Germany in the best available manner.

At the same time, we shall continue to make clear to the Soviet Government that the offer which was made on July 10, 1953, was motivated solely by humanitarian impulses and that the food is available if that Government wishes to permit its entrance into the Soviet Zone of occupation.

Sincerely,

DWIGHT D. EISENHOWER

---

[1] Transmitted to Bonn in telegram 241, July 17. (862B.49/7-1753)
[2] Document 731.
[3] Document 727.

No. 735

Editorial Note

According to Musto 50 to Bonn, July 18, the initial shipment of food under the program offered by President Eisenhower left New York for Hamburg on July 17. (862B.49/7-1753) Two additional shipments followed on July 20 and 21. The first distribution of food parcels, which consisted primarily of food from the Berlin stockpile intended for replacement through the use of the American shipments, occurred at several distribution centers in West Berlin on July 27. It was originally estimated that one million food parcels per month would be distributed to residents of the Soviet Zone. In

fact, more than 200,000 Soviet Zone residents crossed into West Berlin during the first two days of the program, so that the scale of the operation was substantially enlarged within a few days of its inception. Documentation concerning the details of the food parcel program is in file 862B.49.

No. 736

Department of the Army files, 338–78–0071, 337/1, B/P 7

Record of the Seventh CINCUSAREUR–HICOG/Commanders Conference, Heidelberg, July 27, 1953, 1 p.m.

[Extract]

SECRET

. . . . . .

Dr. Conant:

General Bolte, gentlemen, when I reported a month ago [1] I spoke of the rapid changes which had occurred in regards to the Soviet attitude toward the inhabitants of the East Zone and the East Sector in Berlin and the significance of the events which had taken place there on June 17th. I think today I will say a word or two about the situation as it has been affected by those events on the international level and something about the internal political situation in the Bundesrepublik. Going back to when we were here a month ago, at that time the Bundestag was still in session and they had just passed the electoral law and set the date for September 6th for the federal election. As I remember correctly I pointed out that all the discussions of international affairs in Germany until September 6th would be heavily conditioned by the forthcoming election and that has proved to be the case already, I think, and we will expect before we meet again at the end of August, the last day of August, I believe it is, to hear a good deal from the leaders of the different parties here in Germany about the pros and cons of the Chancellor's policy. I take it that the election will be fought largely on what might be called foreign policy, although basic differences in regard to domestic policy also separate the major parties—the CDU, the Chancellor's party, the SPD, the Socialist Party, the chief opposition, and the FDP and DP to other members of the coalition. The debate in the Bundestag on July 1st, just after we

[1] For a record of the sixth conference, see Document 721.

last met showed the explosive nature of the international problem in relation to the German political scene. This debate which I think was precipitated in part by the events in the East Zone of June 17th was directed at the whole question of the best policy which could be pursued by the Federal Republic in advising the occupying powers in the three western zones as to the attitude toward the fourth occupying power, the Soviet, in regard to the policy in the East Zone. The government's position, as stated by Chancellor Adenauer, had been to set forth clearly the six conditions which were essential for free elections. Before that the Bundestag had repeated the conditions necessary for getting ahead with a unification of Germany, the four-point program, which was not very different from the position of the three allied occupying powers of a year ago. But to these now the Chancellor added six points which were essential if free elections were to be carried out—free interzonal crossings, removal of the dead zone along the border, freedom of movement for all Germans throughout Germany, freedom of all political parties in the East Zone, freedom of press and assembly, and the creation of a democratic system of justice and defense against tyranny and terror. The last is a little vague but I guess it might apply to repealing many of the laws decreed now in force in the so-called Democratic Republic in the East Zone. It was clear, I am told, from those that followed the debate that the SPD, the main opposition, the Socialist Party, tried to force the Chancellor to adopt a motion calling for a Four-Power talk and their motion was just defeated by close vote and the government's motion, which was in a more general term, was accepted. It was made quite plain, however, by the Chancellor at that time and by leaders of the CDU Party, that they were not opposed to a Four-Power conference if it had any chance of success in whatever framework might be possible to insure that it would have some success. And then as you know, the Bermuda conference was given up, the idea of it, or if not given up, indefinitely postponed and instead of it on rather short notice the three foreign ministers met in Washington early in July [2]—July 11th, if I remember the date—and there was much speculation as to the attitude they would take in regard to this whole problem: a. German unification and b. the relation of that problem to the EDC Treaties still hanging fire in all countries except Germany. What was said was a restatement about the importance of EDC, about putting less emphasis on the military aspects and more on the aspects of its part of overall plan for European unity between the six nations, of which the Schuman Plan is the first step. But nevertheless the fact that

[2] The Foreign Ministers met in Washington July 10–14.

it was indorsed by Bidault, the French, is not without significance, concerning the crop of pessimistic rumors that one always hears from Paris, namely, that the EDC Treaties are dead. Furthermore, I have been told, though I can't give you the exact proof of this statement, that Bidault in a press conference stated after the meeting something to the effect that he hoped to be able to introduce the EDC Treaties into the French parliament sometime shortly after the parliament reconvened in the fall. In short, the communiqué [3] was an endorsement of the EDC and the concept back of it and it was also a statement of the importance of German unity through the road of all German elections, the position really held by the three occupying powers a year ago, the same position as that spelled out in the four points of the Bundestag debate but with special reference to the conditions necessary for free elections, somewhat similar to the Chancellor's position in his statement before the Bundestag the 1st of July. It asked, as you know, that the Russians have a Four-Power conference at the ministerial level—not at the top level. It has generally been stated in the press, and I think it can be stated here to be a fact that the Chancellor had a great deal of influence on this decision. At the last moment he sent a representative to Washington, Mr. Blankenhorn (?) with a message which has not been made public but a good deal of which has been said about it, which was to the extent that he urged a Four-Power conference at the foreign ministers level and that his general point of view, so the papers say, was effective in persuading all concerned to the communiqué that was issued. So I think that the upshot of the Washington meeting in terms of German internal situation would be a triumph—I think that's not too strong a word—for the Chancellor. I think it is very hard for his opposition—the SPD—now to throw in his face what they have for the past that he never did want a Four-Power talk, he never did want German reunification, that he put EDC ahead of the reunification of Germany. It seems to me that the net result of what has occurred since we last met here and of the Washington conference has been to turn the flank pretty effectively of the opposition. This is further emphasized by the note which you may have read in yesterday's *Stars & Stripes* from President Eisenhower to Chancellor Adenauer summing up the way the President sees the outcome of this Three-Power conference in Washington, in which the President flatly made the statement that there is no contradiction to his mind between EDC on the one hand and German unification on the other. It has been stated by some observers, and thus I make the statement in confidence, that possibly the communiqué

[3] For text, see vol. v, Part 2, pp. 1703–1706.

stating as it did that the Four-Power conference would not be held until the end of September was too obvious support of the Chancellor for it clearly would have been to the advantage of the SPD to have Four-Power conferences in the midst of the elections, hoping that the Russians could cause enough trouble to cloud the issue. Some newspapers have said this is supporting the Chancellor a little too obviously; perhaps some papers will say the same thing about other things that have been done; even possibly about the President's letter. I wouldn't want to pass judgment on that but clearly the policy of the Chancellor has been so much the policy of the governments of the United States, Great Britain and France that it would be pretty hard to see why those governments wouldn't be anxious for a continuation of that same policy. Officially, HICOG, and all of us are neutral in this election. We might even do harm to people that we were for if we took any other position. Nevertheless, we are supporting the Chancellor's position and his success, I think, is quite clear and the papers of the opposition will have to make the most of it. So much for the German internal situation. I won't pass on the outcome of the election. It would be unwise from more points of view than one. We meet again before we know the results of the election. Let me say just a word or two about the situation in the East Zone in Berlin. General Timberman will report in more detail on that situation. Among the unexpected things that have happened is the fall of Beria and the question in everybody's mind how does that affect the attitude of the Soviets in regard to a. an answer to this communication from the three foreign ministers and b. their handling of affairs in the East Zone—in the East Sector in Berlin. I have heard many speculations about the relations for example of my opposite number there, Semioniv, to the new powers in the Kremlin, if the new powers be actually in the saddle, and for the present again I make no prophesy. It seems to me the situation uncertain and possibly the failure of the Russians to make any clear-cut answer to this proposal of a Four-Power talk on the foreign ministers level, the failure to date, is a reflection of their uncertainty and the fact they haven't organized their forces themselves to a clear-cut policy. It is interesting that they haven't quickly come back with either an acceptance or a rejection or any bold offers. We were told about a month or more ago that they were certain to make some great offer, such as the unification of Germany if we would all withdraw our troops. On the contrary, from the articles I have seen published in *Pravda* rather indicate they were taking a rather carping line about this communication—why did we put it forward in this form, etc., raising small objections. Again, we may find a bold statement from them before we meet again. For the moment Semioniv has taken much

the same view with regards to events in the East Zone June 17th. As you know, blaming General Timberman and myself for having stirred up the trouble there a..d then this offer of food which was made a short time ago and rejected and then that has been tied into alleged action of sabotours and criminal elements in Berlin, etc., and in a recent note Semioniv accused us of fomenting trouble in his sector of Berlin by means of giving away food in the West Sector of Berlin. So the attitude seems to be not part of any peace offensive, but rather one of dragging their heels in all matters connected with any cooperation with the west. Actually, the food situation today is in an interesting state. We can't tell what is going to happen. As you know, we made the offer of food; it was rejected by the Soviets and then Washington stated the food was coming anyway and correspondence with Chancellor Adenauer at his request the food was turned over to his government. The first shiploads are being unloaded in Hamburg today and will be taken over by his representatives with the understanding that they will make it available to inhabitants of the East Zone and the east Sector of Berlin in whatever way may prove to be feasible. Therefore, the problem is in the hands of the government of the German Republic. What way will prove feasible remains to be seen if the Russians refuse to cooperate as they have to date. One method that is being tried is the method that started this morning of the people coming from the East Zone and East Sector and get a coupon if they prove they are from the East Zone and they can pick up a package of food and return. This food is for the moment coming from the stockpile but will be replaced by food which is being transferred from US custody to the Federal Republic custody which will then go to Berlin. The Russians have indicated that they are objecting to this very strongly, they have threatened reprisals, they have threatened to cut Berlin in half, they have threatened to take away the food when the people return; for the moment the problem is up to them. We will see what they will do. As of noon today I believe the food distribution was going orderly and the Russians have taken no action. That this has caused some difficulty, along with their other troubles in the East Sector seems quite clear. What they will do to resolve those difficulties, how they will relate them to their possible answer to the note of the Three Power foreign ministers remains to be seen. I think those were the high points for the last month. A great deal has happened. I thought July was supposed to be a quiet month here but it hasn't proved to be, even if the Bundestag has recessed. . . .

. . . . . .

No. 737

862B.49/7-3053: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET PRIORITY BONN, July 30, 1953—7 p.m.

465. Reference: (a) your telegram 369, repeated Berlin 58, July 30, 1953, [2] (b) your telegram 373, repeated Berlin 59, July 30, 1953. [3]

I am disturbed by apparent difference in our understanding of agreed food program policy and that implied by reference (a). While origin of food program was an operation governed by psychological strategy we have been assuming agreement that US course which implied strictly humanitarian motives and avoided blatant propaganda would produce best results. I expressed this view in my telegram 290, repeated Berlin 54, July 18, secret, [4] recommending against second note to Soviets and had understood question was reviewed and decided at that time at highest level. Several other cables from Department have indicated agreement that our purpose is to get food to the East Germans and avoid publicity which either might interfere or make food program appear primarily to have propaganda purpose.

I repeat following message from Lyon Berlin because it expresses my own views so well.

"While we have not yet received Shackford's story or Scripps-Howard editorial I believe course we have been pursuing of leaving distribution of food entirely in German hands is correct one. In my opinion West Berlin food distribution project now in progress has represented (and promises to continue to do so) impressive political propaganda victory over Communists, and major contributing factor in this is that fact of US participation in project has remained relatively in background. All previous communications from HICOM and Department have shown full awareness of this aspect of situation.

---

[1] Repeated to Berlin.

[2] Telegram 369 reported that the Scripps-Howard papers of July 28 carried an editorial criticizing U.S. officials in Berlin for their reluctance to emphasize U.S. involvement in the food program, and encouraged HICOG officials to step up their propaganda activities. (862B.49/7-2953)

[3] Telegram 373 reported that a news story by Roland H. Shackford claimed that a decision had been taken in Washington to pretend that the United States was not involved in the food parcel program. Noting that Shackford was "normally reasonable" and that the Scripps-Howard papers were "strong supporters of Administration," the Department, in order to refute this claim, advised HICOG not to deny the source of the food. (862B.49/7-2953)

[4] Document 733.

Seeing as I have the pitiful East Germans and East Berliners who have flocked to Berlin last three days makes one realize that most important factor in operation is to get food to these Germans. Approximately half a million packages have so far been delivered, so from that point of view the operation has been successful. I repeat what I have said before—fact that operation was entirely German may have been sufficiently face-saving for the Soviets not to interfere with recipients or confiscate food which they probably would have felt forced to do had we over-publicized our role. We had considered providing movies, pamphlets, to recipients but until now have felt it unwise to attempt anything which might jeopardize primary objective.

It will be recalled that both the French and British authorities have had considerable misgivings about this food operation. Many German officials share their anxiety and I consider that in our exposed position to over-play propaganda side would be unwise. I fear that we may receive more derogatory press articles but everybody including East Germans realize that it was American gift of food which made food distribution possible and I repeat by following course we have, food has been reaching East Germans.

In summary I feel that to date we have reaped maximum advantages from situation which could possibly have been expected. To reverse our previous policy of refraining from overt propaganda efforts and simply letting obvious facts of situation regarding US role speak for themselves might give rise, in my view, to following undesirable risks:

(1) Alienating good will of British and French Allies and West Berliners, who have shown appreciation of American modesty to date.

(2) Appearing to lend truth to Communist charge that whole program is here American propaganda trick rather than sincere humanitarian effort alleviate human suffering.

(3) Provoking Communists into effective action to bring halt to distribution operations—this would be particularly unfortunate since our observations have clearly indicated that East Germans genuinely eager obtain West Berlin food packages, and they would be bitterly resentful if they felt vigorous US obtrusion into picture had been responsible for termination of program.

(4) Impairing development of feeling of all-German solidarity (which we consider entirely healthy) resulting from fact West Germans and Berliners rather than Americans are running program."

Lyon adds Timberman concurs completely. Widest possible use is made of RIAS. While success of program here presently exceeds anything we could have anticipated and publicity which over-emphasizes US part will be harmful and perhaps dangerous, I realize you have special problems with US press. Perhaps statement along following line by Secretary might help solve this:

"The food now being distributed in West Berlin to Germans from East Berlin and the Soviet Zone is from food stocks immediately available there, owned by the German Federal Republic. These stocks will be replenished by shipments from Western Germany. This can be done because the American food now arriving in West German ports is being delivered to the German Federal Republic. The German people both in the East and in the West are well aware that this whole program has been made possible by the gift of food from the American people offered by President Eisenhower. The President's offer and the arrival of American food has been widely and favorably publicized in Germany."

CONANT

No. 738

862B.49/7-3053: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET PRIORITY WASHINGTON, July 31, 1953—7:42 p.m.

432. Reference Bonn's 465, [2] there is no disagreement regarding method of handling food distribution. However regarding publicity aspects there is a middle ground between blatant propaganda at one extreme and attempting to play down unnecessarily US leadership role on the other. We agree US should remain in background but no doubt should be permitted to arise on US exercising major functions and supplying from its own ample reserves for those in need.

Is not the problem really one of full background briefing of press rather than big publicity effort?

The world knows this is American operation. Attempts to understate US role may lead to awkward press and public relations. Financing, shipment, planning and other help from American sources is known and generally recognized. Press reports here indicate that East Germans are proud of their own willingness to assume risks. No statement on our part should therefore encourage interpretation that we are trying belittle this element of situation.

Thought is still being given to second note to Soviets. Broad considerations which as you indicated transcend local German opinion still lead us to entertain idea.

DULLES

---

[1] Drafted by Eleanor Dulles and cleared with Kellermann and Lewis. Repeated to Berlin.

[2] *Supra.*

No. 739

862B.49/7–3153: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State

SECRET PRIORITY BONN, July 31, 1953—6 p.m.

476. Reference: (a) Deptel 385 to Bonn repeated Berlin 64. [1] (b) Deptel 369 to Bonn repeated Berlin 58. [2] (c) Bonn's telegram 465 to Department repeated Berlin 83. [3]

In considering following comments on offer of medical equipment to East Germans, reference (a), you should also consider suggested program of hospitality, entertainment, and distribution of printed material, second paragraph reference (b), and my yesterday's cable, reference (c).

I assume all proposals listed above are part of suggested pattern of psychological warfare strategy and should be considered as a whole. All of us here recognize the importance of continued imaginative psychological strategy, and agree that maximum psychological benefits should be derived from entire project. In this connection it is our feeling that best possible propaganda is food itself and fact that it is being supplied to and consumed by hungry East Germans. It is imperative, therefore, that food be kept in constant supply to those persons who need it.

Recognizing that supply of food cannot be maintained if Semenov decides or is forced into taking draconic counter-measures to prohibit delivery, it is imperative that our course not be made one which constitutes for him unbearable provocation.

At present we are engaged in a highly successful operation as part of overall psychological strategy. Food from West Berlin is being distributed to inhabitants of East sector and East zone. There is no doubt in the mind of any German that this operation is possible and will continue because of US initiative and supplies. We feel that if there were any attempt to over-emphasize or over-publicize American direct participation in this project its present success would be endangered in one or more of following ways:

(a) Overt American connection could provoke Soviets to seizures of food, reprisals against East German recipients, etc.;

(b) East and West Germans would react against obvious propaganda, to which they are hyper-sensitive;

---

[1] Dated July 31, telegram 385 explored the possibility of broadening the food parcel program to include medical supplies as well. (862B.55/7–3053)

[2] See footnote 2, Document 737.

[3] Document 737.

(c) Semenov could make counter propaganda as he has attempted in recent note to me, [4] and might even use excuse to cut Berlin in half or interfere in shipping supplies from Federal Republic into Berlin.

Keeping in mind that our best propaganda weapons are successful deeds rather than words, we judge that further offer of any type, reference (a), at this time, which is almost certain to be refused, would be branded as pure propaganda and be resented by Germans, both East and West. There has been no clear need for such assistance demonstrated in East Germany and certainly no request for such assistance or concern about its lack has been voiced by Federal Republic. Considering present situation between AHC and Semenov and his apparent attitude about food distribution, no one would believe that our offer of medical equipment had any chance of being accepted and therefore its refusal most certainly could not be a successful part of our psychological campaign.

In addition, and most important, publicity about such an offer and its refusal would most certainly detract from present successful continuing propaganda about food distribution.

In a High Commission meeting this p.m. [5] I intend to suggest once more that three High Commissioners approach Soviet authorities once again on elimination of inter-zonal passes. Such proposal to Semenov will embarrass him considerably if he, as is almost certain, is forced to turn it down. If, unexpectedly, he is authorized to accept proposal and inter-zonal passes are indeed removed, possibilities of food distribution to East Germans directly from territory of Federal Republic would become reality and present food program would achieve greater dimensions than ever.

CONANT

---

[4] Reference is to Semyenov's note of July 21 concerning the food relief program, transmitted in telegram 98 from Berlin, July 22. (762.00221/7-2253)

[5] No record of this meeting has been found in Department of State files.

No. 740

MSA-FOA telegram files, lot W-130, "Bonn Tomus": Telegram

The United States High Commissioner for Germany (Conant) to the Mutual Security Agency

SECRET BONN, August 2, 1953—11 a.m.

Tomus 81. For Stassen from Harris. I have just returned from a three-day visit to Berlin where I observed the food distribution pro-

gram. This important project has already bettered our position in the cold war.

A vast number of persons, not only from the Eastern sector of Berlin but from deep in the Eastern Zone, have appeared in person to apply for food. At four distribution centers I saw between 8,000 and 15,000 people lined up 10 to 12 abreast awaiting their turn. One thing the Soviets have taught the East Germans successfully and that is to wait in line. Many had to remain from 8 to 14 hours and some were put up overnight because they could not be served on the day of their arrival. The statistics, however, do not even paint the bare bones of what is happening in Berlin.

No matter where one turns in Berlin one sees the streets swarming with miserably dressed people carrying suitcases, crates, haversacks and paper boxes filled with food. As late as 1 or 2 in the morning groups heavily laden with food are on the streets of West Berlin waiting transportation back.

However, the mechanical problems of speeding up distribution to reduce the number of waiting hours and service more people is well on the way to being solved and, provided the number of people does not continue to increase, perhaps will disappear by early next week.

One of the dangers in this scheme has been, and remains, the possibility of disorder or riots caused by large congregations impatient after long periods of waiting. This danger has been forcefully brought home to the *Senat* officials by the officers of the Berlin element and adequate steps appear to be planned to cope with it.

There are, of course, not only difficult mechanical problems but great built-in risks in a venture of this sort. The Soviets might have sealed off the border or even blockaded Berlin. They could still take such action. In addition they could at any time cut off private German gift parcels currently being sent through the Protestant and Catholic Churches—or they could crack down on those church organizations in East Germany. The defection from their leadership by so many people is a threat to their control of the populace of the Eastern Zone, and they must be giving serious consideration to possible countermeasures. (Have just heard that issuance rail tickets from zone to Berlin sharply curtailed). [1]

I talked with many of the East Zoners. They are aware of the American origin of the food and are grateful for our assistance. Of far greater importance than any propaganda value that can be de-

---

[1] On Aug. 1, the GDR Minister of the Interior announced that, with a few exceptions, travel by rail within Berlin and between Berlin and the Soviet Zone was prohibited. For text of the announcement, see Department of State *Bulletin*, Aug. 17, 1953, p. 209.

rived from further publicity that the food comes, directly or indirectly, from the US is the fact that the Soviet state has again been successfully defied by the East Germans. The June 17 uprising was the first challenge by the people. It not only sharply divided the people from their Communist rulers and pitted the masses against the rulers, but it paralyzed (at least temporarily) the ability of the state to function, to lead and to command the people. The food distribution program in West Berlin is the first direct move by the West which has had the same result. Most of these people welcomed the opportunity again to defy their rulers by the mere act of going to West Berlin. Many of them came from deep within the zone.

The extent to which this has taken hold can best be illustrated by reports from some of the East Zoners. One said the men in his plant, 300 in number, did not at first believe it possible that food would be distributed free and so sent him as a delegate to test the story. Upon his return he assured us the entire plant will shut down for a day so that all can go to West Berlin. Some rail lines in East Germany are reported to be jammed with people attempting to get to Berlin. Local officials, under instructions to keep the people back, often are willfully disobeying their instructions. Those who do obey such instructions will be marked forever as having attempted to keep food from the hungry.

Not only has the prestige of the Zone Government deteriorated but their usual repressive tactics have failed to control their subjects. This will be a permanent effect upon the mass of East Zoners and upon their relationship with their Communist masters.

Moreover, the program has given the East Germans contact with the West and has made it once more a real, vital force in their lives. They know that the West exists, thinks about them and hopes some day that the East will be free. To people, many of whom have not seen the West for many years, this physical contact is all important.

They have seen West Berlin and what we have done there. Hungry people have seen food as they have not seen it for many years. One man said he had not been able to buy a pair of shoes for several years and was amazed when he saw the stores filled with the goods.

This picture of what the West has done will be spread throughout the East Zone and will penetrate into other Satellite states. The story will be carried by the most effective instrument of propaganda—word of mouth—throughout the East Zone and into the Satellite countries as well. In my judgment the full propaganda value of this project has been obtained and would be diluted if we were to launch a blatant propaganda campaign to ram home the

American role in this project. These people "know" where the food comes from. They are deeply impressed by the receipt of free food and will contrast it with their experience in their own Zone where they are subject to a merciless barrage of propaganda and still go hungry. This is a new, refreshing experience in their lives which may become less potent an influence if our zealousness to propagandize should lead them to believe we are as anxious as their own rulers to fight a propaganda war over their fate. Moreover, an intensified US policy campaign would give the Russians some basis for their contention that the program is motivated for propaganda purposes. The most effective answer we have to the Russians lies is in the food itself. It is distressing that experienced American newspapermen in West Berlin have failed to see this point, but it is nonetheless true. It would be tragic if, at this moment of success we stooped to obtain more glory and thereby tarnished our good deeds.

I believe we should seek to retain the initiative on those matters where our actions emphasize the contrast between our objectives and our reactions and those of the Soviets. For example, I hope that we accept Grotewohl's challenge and unblock the East German funds ($1.5 million) [2] in the US provided the funds are used solely for food for the East Germans. The request itself acknowledges the need and our quick favorable action—again I would hope without excessive fanfare—would demonstrate our concern for the welfare of the people and our determination to overcome obstacles in order to get food to them.

CONANT

[2] On Aug. 4, Conant addressed to Semyenov a letter in which the offer to unblock the funds of the Deutsche Notenbank was made. For text of this letter, see Department of State *Bulletin*, Aug. 17, 1953, p. 210. The funds were originally blocked by the Department of the Treasury on Mar. 7, 1952, on the grounds that they were being used to support the North Korean war effort.

No. 741

OCB files, lot 62 D 430, "Germany I"

Memorandum by the Special Assistant to the Assistant Secretary of State for Public Affairs (MacKnight) to the Under Secretary of State (Smith) [1]

SECRET [WASHINGTON,] August 3, 1953.

Subject: Guidance on East German Food Riots.

[1] Drafted by Kloman.

The following guidance lines have been developed pursuant to your conversation with Mr. C.D. Jackson in which he suggested that RIAS adopt a bolder line now that the East German Police have imposed travel restrictions on East Berliners. Mr. Jackson suggested that RIAS take the line that nothing stood in the way of feeding the East Germans except the police authorities, and that it was up to the workers to take the matter into their own hands.

The line developed in the Department and cleared by GER, EE, G, and P is as follows: Give full descriptive details on the stories coming out of Germany describing the effects of Soviet-Communist interference with our food distribution program. Play heavily High Commissioner Conant's statement [2] branding the action of the East German authorities as a crime against the people. Stress the enormity of the crime, pointing out that the only conceivable charge is that East Germans are hungry. In face of this situation, the action of the East German authorities strike us as incomprehensible, immoral, and impolitic. Emphasize that the right to food and adequate subsistence is one of the most basic rights in any civilized society and that a government which denies this right to its people (and particularly to the working population) is placing itself outside any code of ethical behavior.

At the same time, point out that the flow of food to Berlin will continue. The U.S. Government will not be deflected from its intentions to go through with the food program as announced by President Eisenhower [3] and as specified by High Commissioner Conant. Ships loaded with food will continue to arrive in German ports. The food will be transported to Berlin and will be available, as before, to all needy from East Berlin and East Germany. The only obstacles between the East German population and the food are those erected by East German authorities.

We do not feel that we should go beyond these statements for the moment; specifically, we do not believe that we should at this point request our media to incite directly and overtly to action against East German authorities.

---

[2] Presumably a reference to Conant's statement of Aug. 2, printed in Department of State *Bulletin*, Aug. 17, 1953, p. 210.

[3] Presumably a reference to the announcement made by Hagerty on July 11 in response to Molotov's rejection of the U.S. food offer. For text of this announcement and a description of the Department of State's elaboration on it, see Department of State *Bulletin*, July 20, 1953, p. 68, footnote 1.

No. 742

PSB files, lot 62 D 333, "Record of Meeting"

Memorandum of Informal Meeting of the Psychological Strategy Board on August 5, 1953, by the Acting Director of the Psychological Strategy Board (Morgan)

TOP SECRET

Place: Office of the Director of Foreign Operations Administration

Present: Messrs. Jackson, Smith, Kyes, Dulles, Stassen and Morgan.

[Here follows discussion of future United States problems in the satellite states, Psychological Strategy Board relations with the United States Information Agency, and a study of the decline of United States prestige abroad.]

Agenda Item 4. German Developments

The Board considered a number of suggestions for action. It felt that a second note to Moscow [1] might be over-doing it at this time, and that for the coming week the following would suffice: (1) the High Commissioner's offer to release for the purchase of food East German funds now frozen; (2) a strong line on RIAS attacking East German repressive measures as a crime against the people; and (3) the scheme to encourage East Berliners to pass food parcels on to Germans in the East Zone ("Every German help a German."). Messrs. Dulles and Kyes also agreed to inquire for suggestions on how to discourage East German police and paramilitary personnel from taking part in repressive measures. The Board agreed further that the current procurement of food for the German operation should continue in order to keep the stockpiles high, and that a certain proportion of the food for East Germany should not be consigned directly to the German Federal Republic in order to retain for the U.S. a free hand to meet contingencies. In addition, it was agreed that press clamor for greater use of the "Made in America" label in connection with this program should be firmly resisted. In general the Board felt that a change of pace might be more desirable than a steady build-up in the exploitation of satellite unrest. With this thought in mind, it directed the PSB D–45 Working

[1] In telegram 441 to Bonn, Aug. 4, the Department of State had transmitted to Conant for comment a revised draft note (see footnote 2, Document 732, for a description of the original draft note, and telegram 290 from Bonn, Document 733, for its disposition) to the Soviet Government emphasizing the need for food in the German Democratic Republic and requesting the removal of travel restrictions for Soviet Zone residents to facilitate food distribution. (862B.49/8–453)

Group [2] to inquire into the possibility of shifting the main action to Poland or some other satellite country.

[Here follows discussion of an Executive order on the Operations Coordinating Board and other business.]

GEORGE A. MORGAN

[2] PSB D-45, "Interim U.S. Psychological Strategy Plan for Exploitation of Unrest in Satellite Europe," June 29, 1953, is not printed.

No. 743

862B.49/8-853

The United States High Commissioner for Germany (Conant) to the Secretary of State

SECRET
PERSONAL EYES ONLY

BAD GODESBERG, August 8, 1953.

DEAR FOSTER: I wrote you a personal note on July 28 [1] about the British reaction to our food program. In the remaining two weeks the food distribution program has proceeded so satisfactorily that I think Sir Ivone Kirkpatrick is more than reconciled to what he considered unilateral action on the part of the United States in getting it under way. Nevertheless, there still remains some uneasiness and apprehension in British quarters about our future plans for food distribution. Though Sir Ivone is at present here only occasionally because he is making his farewell tour through Germany, he is still in touch with his office; therefore any time this month, although I am in the chair, we may have some difference of opinion in the Allied High Commission about Berlin and the food program there.

Because of this slight friction with the British, I feel that it was very wise that the title of this food was vested in the Federal Republic and not in the United States. For the same reason, I hope that in the future we may continue on the same basis. Except for two correspondents, the reaction of the American press representatives here and the German press has been a clear recognition of the source of the food; but the device of flowing it through the Federal Republic has avoided certain complications with both our Allies and the Russians. I think it has generally been recognized as smart propaganda that we could say blandly that this was food "distributed by Germans to Germans".

[1] Not found in Department of State files.

In the future there will be no difficulty, I feel, in having the offices of the Federal Republic carry through the type of food distribution which we decide is in the best interests of the cold war struggle. We should certainly have to consult them anyway about any new projects, and I am sure we desire that they should share in the credit of the whole operation and it is my firm opinion that the best way to do this is to continue to operate under the slogan "American food shipments make possible the distribution of food by free Germans to enslaved Germans!"

You may have been aware that there has been some discussion between this office and Washington about this whole subject of due credit to the U.S. I have not felt free to put into the cables one angle of the situation, namely, my relations with the British and the French. Rather, I have emphasized the advantages of having the Federal Republic have title to the food vis-à-vis the Russians.

As far as I can discover, the Germans of all shades of opinion feel that the operation to date (at the end of two weeks) has been a great success, though the supporters of the Chancellor naturally are more enthusiastic about it than the others, as it certainly has helped the Chancellor's position (one of the objectives which we had in mind, but could not possibly proclaim).

This letter, I trust, will reach you after your return from Korea. I hope your journey has not been too fatiguing; I can well imagine what great difficulties you must have faced in handling the vast complexities of that problem.

With all good wishes, [2]

Sincerely,

JIM

[2] A handwritten postscript followed the text of the letter, as follows: "P.S. I assume that our objective in the East Zone is to keep the pot simmering but not to bring it to a boil! J.B.C."

No. 744

862B.49/8-1453

Chancellor Adenauer to President Eisenhower [1]

CONFIDENTIAL BONN, August 10, 1953.

MY DEAR MR. PRESIDENT: It is with deep gratitude that the people of East Berlin and of the Soviet-occupied Zone receive the

[1] This letter, and a copy of the German original, was transmitted to Washington in despatch 604 from Bonn, Aug. 14. Because President Eisenhower's reply was de-

Continued

food relief granted them thanks to speedy action of the United States Administration. I on my part should like to express again my sincere gratitude for this relief. Your generous readiness to help those people in distress encourages me to submit to you another wish:

Winter will come within a few months, and we must reckon with the fact that the population of the East Sector and of the Soviet-occupied Zone will be in great need of warm clothing and footwear. The Federal Government will do everything in its power to alleviate distress in that respect as well. However, I should be particularly grateful if the U.S. Administration would see its way of promoting that relief program by making warm clothing, underwear, stockings and shoes available to the men, women and children in the distressed areas.

Accept, Mr. President [etc.]

ADENAUER

---

layed until Sept. 21 (see Document 752), the Department of State requested HICOG at Bonn in telegram 813, Sept. 9, to ask Adenauer to update his letter in order "to avoid long interval between Chancellor's letter and President's reply." (862B.49/8–2853) The Chancellor had agreed to date it Aug. 30.

No. 745

Editorial Note

On August 17, the National Security Council issued NSC 160/1, "United States Position With Respect to Germany," which had received Presidential approval, subject to certain revisions, on August 13. The portions of this policy statement dealing with the German Democratic Republic were based on the assumptions that the unification of Germany under a government friendly to the West was desirable and that the Soviet position in the Eastern Zone had been materially weakened by the June disturbances. For NSC 160/1, see Document 214.

No. 746

862B.49/8–1853

Memorandum by the Special Assistant to the President (Jackson) to the Under Secretary of State (Smith)

CONFIDENTIAL WASHINGTON, August 18, 1953.

Many thanks for having asked W.K. Scott to send me the letter from Ambassador Conant. [1] It is returned herewith as requested, so that you will have it for Foster's return.

I was much relieved to read it because of press stories over the weekend reporting British and French displeasure over the German food program, and I was very much afraid that we might be overinfluenced thereby.

On a very small scale, this is a perfect illustration of our basic dilemma.

On the one hand, we are eager and quite sincere about sharing as much as possible with our allies, and not moving unilaterally. It is certainly no exaggeration to say that with particular regard to the British we are infinitely more sincere in this respect than they are. They don't even give us an "oops, sorry" when they choose to move unilaterally without consultation.

At the same time, very little is going to be done in order to produce our kind of world if every single U.S. move has got to be watered down to the lowest common denominator of French timidity and British reluctance to have American international leadership displayed outside the limits of the District of Columbia.

You know perfectly well that had the food program been thrown into the tripartite hopper for unanimous approval before implementation, it would still not be in operation. You also know that if Adenauer wins a resounding victory with quite a number of German Socialists shifting over to the Adenauer foreign policy, it will have been due in large part to the food program, which in turn made the Communist regime make brutal asses of themselves, which in turn upset the Kremlin plans for upsetting the German elections.

As a footnote to this thinking, I wonder if, months ago, had we decided that further yakking with Downing Street on Iran would get us nowhere, and have very politely told the British that we intended to take our own measures, whether we would be in the terrible position we are in today in that country, and in that whole area.

---

[1] Reference is to the letter from Conant to Secretary Dulles, Document 743.

It is an irony of history and a triumph of British international public relations that they have the reputation for politeness and we have the reputation for doing silly things off the top of the head, when as a matter of fact we are internationally polite to the point of dangerous timidity, whereas they are constantly barging around doing silly things in the imperial sunset.

I still love them dearly, but I don't see why we have to ask their gracious permission every time we want to blow our nose.

C.D.J.

No. 747

862B.49/8-2053: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, September 5, 1953—1:49 p.m.

787. Further reference ourtel 766, repeated Berlin 165 and Bonn's 561, 654, 662, 692 and 732 re future plans food program for East Berlin and East Zone. [2]

Suggest that development in Germany of flexible program which can be publicized and is disassociated from mailing program charitable organizations if substituted for present type food distribution program could be developed along following lines:

1. You propose to British, French and Germans that several weeks after elections announcement be made that present food pro-

---

[1] Drafted by Straus, Woodward, and Jacobs and cleared with Reinstein of State and White of FOA. Repeated to Berlin. A marginal note on the source text states that the staff study on which this telegram was based had been cleared in principle with Ausland, Phillips, O'Connor, Bonbright, and Kellermann. The staff study under reference, dated Aug. 25, was submitted by Reinstein to Smith for discussion at the Sept. 2 meeting of the Psychological Strategy Board. (German Desk files, lot 57 D 355, "Aid to East Germany") The minutes of the PSB meeting at which this matter was discussed are in the PSB files, lot 62 D 333, "Record of Meetings".

[2] Telegram 766 to Bonn, Sept. 3, quoted the discussion at the Sept. 2 PSB meeting to the effect that the short-term food program would be transformed into a more long-term aid program for East Germany. (862A.49/9-353) Telegram 561 from Bonn, Aug. 6, offered suggestions for broadening the food parcel program, particularly advocating a scheme whereby refugees in Berlin would be given packages to send individually to relatives in the East Zone. (862B.49/8-653) Telegram 654 from Bonn, Aug. 14, transmitted the text of Adenauer's letter, Document 744. (862B.49/8-1453) Telegram 662 from Bonn, Aug. 14, reported on discussions between U.S., French, British, and German representatives concerning future means of food distribution to East Germans. (862B.49/8-1453) Telegram 692 from Bonn, Aug. 18, transmitted to Washington a message of Aug. 13 from Berlin proposing the expansion of the relief effort for East Germany to non-food items. (862B.49/8-1853) Telegram 732 from Bonn, Aug. 20, dealt with the package mailing scheme as discussed in telegram 561. (862B.49/8-2053)

gram is to be converted into continuing program to be operated by Fed Rep sponsored organization operating in Western Berlin. U.S. food will be contributed this organization which would also distribute clothing, medicines and other needed supplies to neediest in Soviet-occupied Germany. Requests to be received and delivery to be made in West Berlin and also if desirable by mail. (Mailing program charitable organizations should be continued without publicity as you urge).

2. New organization could act as central point for distribution public and private aid to people Soviet-occupied Germany, from West Germany, United States and hopefully Britain, France and other countries as well. Publicity emphasis should be West continues to lend its aid to Soviet-occupied areas. Organization's requirements could stimulate special collection drives in United States and elsewhere for clothing, medical supplies, funds and variety of special items needed by East Germans. Strong interest concerning plight East Germans exists United States and we are confident considerable material private support can be mobilized. It would be desirable from our point of view if you, as representative U.S. Government, in some manner were to associate yourself with announcement especially if announcement were to make clear that need for continuing program has been demonstrated and that as a result American people desire continue assist unfortunate oppressed peoples of Eastern Germany. In addition announcement should include appropriate reference to effect short-range program on Russian food distribution policy in East Germany larger distribution locally produced food. Suitable reference could also be made linking conversion food program to harvest in Soviet Zone. If you and Chancellor feel desirable forthcoming clothing program could be announced simultaneously as you suggest.

3. To extent presently allotted United States food supplies remain unused after (a) end current phase Berlin distribution program (October 3), (b) repayments to Fed Rep stockpile and (c) initial food contributions to new German-sponsored organization and mailing programs charitable organizations, they can be transferred as may be determined to step up food program new organization or of charitable organizations or be held for border depots program if developments make such distribution desirable or for other programs.

4. Main advantage envisaged new organization is its flexibility. United States Government support of German-sponsored organization could be increased, decreased, or take new form as circumstances require, while voluntary agencies in United States and elsewhere can use it continuously as a distribution point if they wish. Proposal would also prevent deterioration psychological

impact present program by conversion to new form and avoid possibility completion or full termination which we believe would be undesirable and which could be exploited by Communists and would perhaps cause criticism in U.S.

5. Unless you see objection suggest you discuss with British, French, and German authorities, with hope all will cooperate new organization and in any event with view to securing British and French agreement to United States supported German effort.

DULLES

No. 748

762B.00/9-1253: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, September 11, 1953—7 p.m.

396. From EAD. Based available overt indications both prior and following Federal Republic elections, is not believed there will be in near future any important changes in basic GDR political and economic policy, internal or external, as set forth initially in SED Politburo decisions June 9 and clarified in central committee's 15th session, July 24-26 (see D-105 August 17 [2]) and more recently in Soviet note August 15 and subsequent agreements concluded between USSR and GDR Governments. [3] Re latter, believe phrase contained TASS statement September 4 to effect "if goal should actually be achieved of bringing through agreements of Paris and Bonn and to proceed with their implementation . . . " [4] (see paragraph 3 EAD telegram, September 5 sent Bonn 373, repeated Department 328 [5]) may be significant. It suggests that not re-election

---

[1] Transmitted to Washington in telegram 1010 from Bonn, Sept. 12.

[2] Despatch 105 reported that the SED Central Committee, meeting July 24-26, had reaffirmed the New Course policy undertaken by the GDR Government on June 9 (see telegram 1757 from Berlin to Bonn, Document 711) and had sought to identify scapegoats for the June riots. (762B.00/8-1753)

[3] For the Soviet note of Aug. 15, see Document 264. The agreements negotiated during the course of a visit to Moscow of a delegation from the German Democratic Republic, Aug. 20-22, were contained in a joint communiqué of Aug. 23 and a protocol of Aug. 22, both of which are printed in *Dokumente zur Deutschlandpolitik der Sowjetunion*, pp. 345 ff. The agreements consisted of a decision by the Soviet Union to relieve the German Democratic Republic of its reparations burden, to return confiscated industries, to supply economic aid, to grant currency credits, and to reduce sentences for German war prisoners. Reports on the negotiations and their results were contained in telegrams 242, Aug. 21, and 263, Aug. 24, from Moscow, and 265 from Berlin, Aug. 23. (661.62B/8-2153 and /8-2453, and 762B.00/8-2353)

[4] Ellipsis in the source text.

[5] Telegram 373 reported the TASS article under reference. (396.1/9-553)

of Adenauer coalition irrespective its voting majority, but full ratification EDC or West agreement on some equally effective alternative is key factor for Soviets; and that until forced deal with such reality, they see no need change basic elements their strategy and tactics as laid down prior September 6 election.

Discounting future Western initiatives, which could naturally have effect on policy in GDR, do not anticipate Soviets will appreciably harden or soften current policy, which we interpret as being aimed enable them proceed at pace of their choosing to develop GDR in manner which will facilitate its incorporation eastern orbit, not irrevocably prevent or appreciably increase difficulties its reunification with Federal Republic beyond point to which such difficulties already exist. Should West obtain ratification EDC, anticipate rapid shift Soviet policy in direction accelerating absorption GDR in Soviet orbit. In other words, believe from that point forward, remainder TASS statement quoted reference telegram means what it says and may have to be taken at face value by West.

Foregoing analysis does not exclude possibility Communists resorting such tactics as outlined EAD D–125 August 25, [6] which might be interpreted as illustrative of soft policy, but which in effect are simply tactics calculated affect favorably Soviet control unity theme and do not affect basic Soviet policies in GDR.

LYON

[6] Not printed. In despatch 125 Barnes speculated on possible Soviet concessions in the German Democratic Republic designed to demonstrate the sincerity of the New Course. (762B.00/8–2553)

No. 749

862B.49/9–1453: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, September 12, 1953—1 p.m.

398. Re Department's telegram 787 to Bonn, repeated Berlin 167. [2] We have given careful study to reference telegram and while we appreciate advantages outlined in paragraph 4 which new distribution scheme would have, we nevertheless believe that plan has following disadvantages which must also be given consideration:

[1] Transmitted to Washington in telegram 1023 from Bonn, Sept. 14.

[2] Document 747.

(a) Any plan which foresees distribution in West Berlin over indefinite period of large quantities of highly desirable commodities strictly to East Berliners and Soviet Zone residents is bound in long run to create discontent and bitterness among most [*West?*] Berlin's needy.

(b) Any program of indefinite duration runs danger of (1) tempting Communists to extend indefinitely measures undertaken to keep Easterners out of West Berlin and (2) so accustoming Easterners to receiving hand-outs that they will come to feel they are entitled to them with result that when program eventually ended bitterness rather than gratitude would prevail among East German population.

(c) At present time East Berliners and Soviet Zone residents are spending between eight and ten million westmarks monthly in West Berlin. Free distribution of food, clothing and medicines would probably damage some individual West Berlin merchants.

Our own feeling is that if primary aims of future programs are to create dissension within East Germany and heighten defiance of regime by population, best method would be to bring food distribution to definite end October 3 and then later—perhaps just before Christmas—start entirely new program limited in duration accompanied by wide publicity. This might well force Communists to lift travel restrictions, harassments, etc. and then reimpose them which in our view would create for them more difficult situation than indefinite extension of present conditions. New Christmas program would also be better understood by West Berliners. Moreover limited-duration program at time such as Christmas would have advantage of getting great crowds of East Germans into movement which probably is one of most difficult situations which can confront Eastern authorities. In other words it would unite population in easily definable and dramatic aim against regime as was case in first food program.

If, however, it is felt that in spite of above, continuity is prime objective to be achieved, we feel that scheme of subsidizing a favorable exchange rate for East Berliners and Soviet Zone residents would have several advantages over plan described in reference telegram, provided of course that very considerable amount of cash would be available. Our idea would be to allow Easterners exchange eastmarks at preferential rate to buy certain specified objects such as shoes and medicine. This would have advantage of:

(a) Bringing Easterners not simply to distribution point in West Berlin but actually into shops where they can see material benefits of free western economy.

(b) Eliminating charity aspect of program and enabling Easterners to enjoy self-respect which comes from paying for purchases.

(c) Lessening cases for complaint on part West Berlin unemployed and needy.

(d) Avoiding damage to individual West Berlin retail businessmen.

LYON

No. 750

Editorial Note

On September 18 and 19, a meeting was held in Luxembourg by all United States chiefs of mission in Western Europe, as well as by Conant, Bohlen, and Merchant and others from the Department of State. The minutes of the first and second sessions of this meeting, consisting of country reports presented by each chief of mission, are scheduled for publication in volume VI.

From Luxembourg, Merchant, Conant, and Bohlen departed for Vienna, where they were joined in a similar meeting on September 22–24 by the United States chiefs of mission in Eastern Europe, and by Thompson and Lyon. Each gave a summary report of conditions in the country to which he was accredited, with Lyon discussing primarily the June disorders and their ramifications for the German Democratic Republic.

No. 751

762B.00/9–1953: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, September 19, 1953—1 p.m.

426. From EAD. Before sixteenth session SED central committee September 17 Ulbricht made important policy statement on German unity, text of which published East press September 19. Starting point was reiteration correctness SED June 1951 analysis re rebirth West Germany imperialism. Main points were: Unity only possible through all-Germany negotiations; German people will achieve unity without and against Adenauer, whose election has reduced chances for negotiations, unity and peace; and unity "cannot be suddenly achieved, but will be result common efforts democratic forces in FedRep and GDR". Speech is very revealing

[1] Repeated to Washington, Moscow, London, and Paris; the source text is the copy in Department of State files.

and will be subject detailed despatch analysis. [2] One of most striking statements in speech is following:

"Under present circumstances, where in Germany in reality two states exist, the unity of Germany can only be brought about through commencement of negotiations between both (states)."

Comment:

1. Ulbricht reaffirmed Soviet strategy in Germany based on long range KPD program of November 1952 (see Berlin/EAD D–710, February 28, 1953 [3]) as embodying way create conditions for unity, requiring change in bases of power in West Germany via social revolution and unity of action within working class.

2. While tactical maneuvers not excluded, negative Soviet thoughts on desirability Four-Power conference now further underlined. Defensive connotations current Soviet position magnified.

3. Increased Communist efforts get East and West Germans together on almost any subject in order legitimize long range program may be expected. Some form all-Germany conference (with Wirths, Elfes, Heinemann and the like) not excluded. However appears equally obvious *status quo* is firm point in Soviet plans during current interim period prior Soviet anticipation enhancement strength their bargaining position.

4. If West should begin effectuate contractual/EDC treaties in West Germany, as Ulbricht apparently feels is not unlikely as result Adenauer election, then Soviets will fall back principally on national sovereignty thesis for championing unity and disrupting speed of integration. Third line of defense would seem be full satellization GDR. There is definite hint of this in Ulbricht's remarks, in which he reminds of strength and unity of world peace camp and benefits of membership in it.

5. Ulbricht policy statement is further confirmation extreme weakness current Soviet position and opportunities it opens up for West to be bold in pushing Soviet backs to wall on unity issue. Diplomatic offensive at highest level on unity will probably do more than any other action to sustain resistance mood East Germans and impede Soviet efforts reestablish SED party position of control, so essential for their long range strategy.

LYON

---

[2] The analysis under reference was transmitted in despatch 204 from Berlin, Sept. 22. (762B.00/9–2253)

[3] Despatch 710 dealt with the long-range aspects for U.S. policy of the trend toward the granting of *de jure* sovereignty to the German Democratic Republic by the Soviet Government. (762B.00/2–2853)

No. 752

Presidential Correspondence, lot 66 D 204, "Eisenhower to Adenauer"

President Eisenhower to Chancellor Adenauer [1]

SECRET WASHINGTON, September 21, 1953.

DEAR MR. CHANCELLOR: Thank you for your letter of August 30, 1953 [2] in which you expressed the gratitude of the people of East Berlin and the Soviet occupied zone for the help given by the US in the food relief program. I am glad that this program has helped to alleviate the great need of these unfortunate people whose courage in the face of oppression has been admired the world over.

At the same time you call my attention to the need for warm clothing and footwear for these same people, need which might become acute during the coming winter. I can assure you that this Government is aware of this need. It is my belief that the American people will gladly and liberally respond to your plea as many of them have done in similar situations in the past through various voluntary agencies. I shall, therefore, bring your letter to the attention of the American people knowing that they will contribute generously to the organizations which will undertake to provide such clothing and other required and related items.

Accept, [etc.] [3]

Sincerely,

DWIGHT D. EISENHOWER

---

[1] This letter was transmitted in a copy of telegram 880 to Bonn, Sept. 16. When President Eisenhower signed the letter on Sept. 21, he made certain non-substantive changes which were reproduced on the copy of the telegram retained in Department of State files. The text as printed here incorporates these changes.

[2] Document 744.

[3] In a letter of Sept. 26, transmitted to Washington in telegram 1259 from Bonn, Sept. 30, Chancellor Adenauer replied to the President's letter as follows:

"I thank you sincerely for your kind letter of 21 September and for the great understanding expressed therein regarding my wish to help the population of the eastern sector of Berlin and of the Soviet-occupied zone with warm clothing and shoes, now that winter is imminent. I am convinced that this call for aid to mitigate the distress prevailing in the Soviet-occupied parts of Germany, will find a response with the American people who so often have shown in such a generous manner a readiness to help people in distress.

"Accept [etc.]" (862B.49/9-3053)

No. 753

862B.49/9-2453: Telegram

The Acting United States High Commissioner for Germany (Steere) to the Department of State [1]

SECRET BONN, September 24, 1953—7 p.m.

1178. Reference Deptel 787, repeated Berlin 167. [2] We discussed yesterday with Thedieck future plans for continuation of the Soviet zone aid program in an informal meeting. Meeting followed conversations with Thedieck few days ago when our plans along line reference telegram were indicated to him. We also know that he discussed matter with Reuter last week.

Thedieck presented Federal Republic and Berlin *Senat* positions on matter. He strongly urged that a "visible stop" should be made to present food program and that new aid measures should be developed slowly through appropriate expansion of already existing aid activities. Federal Republic and Berlin authorities now believe that from psychological and humanitarian viewpoint disadvantages of continued food program outweigh advantages. Thedieck pointed out greatly increased pressures on food recipients, i.e., dismissals, public exposures, etc., particularly emphasized serious nature of GDR interference with normal travel of Soviet-zoners to Berlin, which seriously detrimental for Berlin fulfilling its important role toward east. He also called our attention to increasingly critical comments in west, notably the position taken by Evangelisches Hilfswerk and reprinted in *Sueddeutsche Zeitung*, September 22 under headline "Don't Gamble (Speculation) With Hunger," and to unfriendly article in September issue of SPD bulletin *Sopade*. In view of above, he felt that primary concern should be relaxation of tension and restrictive measures in Soviet zone which they hoped to achieve through visible stoppage of aid program.

At our urging to consider advantages of continued aid and desirability of a central organization to plan and administer such aid, Thedieck indicated that Federal Republic is particularly anxious to expand package mailing program which is best practical way to reach large cross section of neediest Soviet zoners. This activity increased in last few months from 1.8 million to 2.4 million packages monthly and Federal Republic hopes that peak of 3.5–4 million packages can be reached by Christmas. Charitable organizations would be very happy with increased CRALOG shipments and part of US food aid could also be used. This activity is strictly dependent

[1] Repeated to Berlin.
[2] Document 747.

on no publicity whatsoever. . . . But problem remains to work out satisfactory transition from present to new activity without endangering "visible stoppage."

Announcement on clothing aid runs counter to the above line and since Adenauer seems to have handled it without informing Cabinet except at very late date, there was noticeable embarassment on Thedieck's part. He stated, however, that CBS leak of few days ago more difficult to deal with than actual text of President's letter. [3] Government has obviously no plan how to deal with clothing aid, but Thedieck felt that appropriate clothing items (underwear rather than outer garments) could be included in package mailing scheme. Emphasized need for mixing, even possibility mixed food-clothing pack.

Meeting decided that Thedieck will submit Federal Republic views in writing. (Advance copy hoped for today.) We informed him that we plan to discuss matter with British and French Friday and that final position should be reached in meeting early next week. At that time decision should also be reached on handling publicity and until then no public statements shall be made.

We had no definite indication of British and French position yet. From working level British contact we understand that while British originally favorable to our suggestion, now consider establishment of new organization risky matter and that strong Allied controls would have to be worked out. This runs somewhat counter to our thinking. . . .

STEERE

[3] *Supra.*

No. 754

862B.49/9-2653: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET PRIORITY BONN, September 26, 1953—2 p.m.

1208. Reference Deptel 1003 dated 24 September 1953 [2] and Bonn's 1178, repeated Berlin 236 dated 24 September. [3]

[1] Repeated to Berlin.

[2] Telegram 1003 requested the comments of HICOG Bonn on the Department's plan for conversion of the food parcel program to a permanent basis. (862B.49/9-1753)

[3] *Supra.*

Subsequent to our telegram 1071 dated 17 September [4] we have had two discussions with British and French re future of food program. In first, both British and French professed concern re possible Soviet reactions to continued publicity, especially as re food and clothing by postal packages, but raised no real objection in principle to future distribution.

In meeting yesterday, following draft proposal to be approved tripartitely as basis for discussion with Germans was given British and French.

Begin verbatim text:

1. Recent telegram from Department proposed new, permanent relief program for east zone Germany through establishment of German-sponsored, US-supported organ. It was assumed that present Berlin food distribution program would be terminated some time within next month or two and new organization would take over food relief, as well as supply of clothing—in response to recent appeal from Chancellor Adenauer to President. [5] It was contemplated also that new organization would be launched with explanation that temporary program for Berlin food distribution had demonstrated continuing need for assistance in East Germany, which new organization was designed to meet.

2. As envisaged in Bonn, basic point in establishment of new organization is that it should have operating bureau in West Berlin where east zone inhabitants could apply for assistance. There they could be registered and could state their needs. Under this basic plan, several possibilities exist for distribution of relief:

a. "Individualized" packages of food or clothing could be mailed to applicants in the east zone from West Germany. By "individualized" packages is meant packages sent ostensibly from individual in West Germany to one in east zone. (This scheme is now being followed by religious and charitable organizations in West Germany which together send some 2,000,000 postal packages of food to East Germany every month.)

b. West Berlin Bureau could give coupons to applicants which could be exchanged for specified quantities of food or items of clothing at stated distribution points in West Berlin.

c. Coupons as in b above could be given to applicants at West Berlin Bureau entitling them to special, reduced prices in specific retail stores in West Berlin.

d. Additionally to food and clothing relief, West Berlin Bureau could arrange for medical treatment and drugs for east zone applicants.

It will be seen these alternatives are not mutually exclusive.

---

[4] Telegram 236 reported that HICOG Bonn had discussed the conversion plan with the French and British, both of whom had requested more details. (862B.49/9-1753)

[5] Document 744.

3. Department has made it clear any US assistance must be overt and susceptible of publicity exploitation. As re new program, it does not appear the Department contemplates great deal more than continued public recognition US assistance.

End verbatim text.

British and French insisted upon necessity to refer to London and Paris. French acting HICOM implied personal agreement on general lines. British acting HICOM was still inclined raise doubts re desirability of program. Latter also inquired re clothing distribution contemplated in recent exchange. It was thereupon made clear that in any case clothing would be provided West Germans for distribution to east, and furthermore that food would continue to be made available to extent West Germany desired; hence present proposal was nothing more than attempt to create effective organization which could carry out relief in orderly manner with tripartite approval.

Meanwhile Thedieck has presented us in writing with views of FedRep and Berlin Senate along lines of Reftel only emphasizing even more strongly German desire to discontinue present program on October 3. (Text being airpouched today [6]). Problem now facing us is to reconcile our proposal outlined above with Thedieck memo. This will be undertaken early next week. In meantime I will talk to Reuter and Thedieck. To latter I will point out serious discrepancy between their position and that taken by Chancellor in requesting us assist re clothing.

In view of trend termination present food distribution in Berlin on October 3 appears inescapable. Announcement will have to be made shortly before, giving reason for termination improved food situation in Soviet zone after completion of harvest. At same time we hope to reach agreement enabling us make announcement on some type of continued aid. Actual institution of new organization and aid will obviously require longer preparation.

CONANT

[6] Transmitted in despatch 1065 from Bonn, Sept. 26. (862B.49/9–2653)

No. 755

862B.49/9-3053: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

SECRET PRIORITY BONN, September 30, 1953—8 p.m.

1258. For Secretary from Conant. French have agreed proposal Bonn's 1208 to Department, repeated Berlin 244, 26 September, [2] approved Deptel 1051, repeated Berlin 215, 29 September, [3] purely as basis for discussion with Germans but with strong reservations against publicity for scheme. British Foreign Office has not yet replied but we understand they feel even more strongly against publicity and may have made representations to Department through Embassy. Meanwhile, we found it necessary continue discussions with Germans, and both Federal Republic and Berlin authorities are vigorously opposed to continuance of any Berlin food distribution program. Germans have many objections as indicated Thedieck memorandum sent by pouch September 26. [4] Reuter, originator of Berlin scheme, was most insistent upon termination Berlin activity.

Germans believe profit from Berlin distribution is about to turn into loss. This opinion shared by British and French. Germans report punitive measures against parcel recipients are leading to resentment against US which will increase. Inability of many Soviet Zone residents to profit from scheme also creates resentment. I feel we must not let tremendous August success be replaced by negative or hostile reaction which I am convinced is growing. Letters to RIAS increasingly complain of punitive measures and emphasize desirability of alternatives, such as freedom of movement.

In addition, we must keep West Berlin open to East Germans. Soviet Zone restrictions on travel to Berlin are thwarting this basic objective. Visible stop to Berlin food distribution will, we hope, result in returning East Zone Berlin travel to normal.

After earnest consideration of all factors, particularly strong attitude of Federal Republic, I am convinced that when present Berlin food distribution program terminates October 3, as scheduled, neither permanent organization proposed in Deptel 787 repeated Berlin 167, 5 September, [5] nor registration system proposed in our

---

[1] Repeated to Berlin.
[2] *Supra.*
[3] Not printed. (862B.49/9-2653)
[4] See footnote 6, *supra.*
[5] Document 747.

reference cable above should presently be initiated. Either of these would assure continued repressive measures with no compensatory gain. Germans point out they would be even more objectionable than present scheme to Soviets, as registration center and pay office for spies. . . . You will understand US is not in position to insist on continuation of Berlin program in face of German refusal both in Berlin and Federal Republic. Furthermore, distribution from Federal Republic depends on cooperation Federal Republic authorities and independent German organizations.

From German point of view we could discontinue Berlin distribution even if no acceptable substitute were found. Germans are well aware of growing difficulties and frank explanation as proposed below would be accepted.

I realize, however, that we do not want to admit defeat of our food distribution promise made in July, and that your problem with US press and Congress does not permit solution solely in light of psychological gain or loss here in Germany. Accordingly, we have sought substitute which will avoid preceding objections, permit restoration of Berlin travel, and still allow continuance of acceptable food program. I request authorization to accept Federal Republic plan which follows:

In this plan, distinction must be drawn between (a) charitable associations organized both in East and West Germany, i.e., primarily Catholic and Protestant churches, and (b) those organized only in West with no Eastern counterpart, e.g., Red Cross, Paritaetische Hilfswerke, etc. The first group, because of their Eastern connections, will have no part in any program in which American aid is publicized, although they will increase their parcel shipments with American assistance if this can be done without publicity and if identifiable American food can be exchanged so that parcel contents are German in character. There is also possibility of some small bulk shipments under special circumstances. The second group must apply the same conditions to their parcel shipment program since American food in parcels or publicity regarding American support would simply result in interruption of whole parcel program with deep resentment against US in both East and West Germany. However, second group can at same time conduct an open program for distribution of food packages to Soviet Zone residents in interzone travel, estimated up to 200,000 per month, and establishment of feeding stations at main border crossing points. Thedieck asserts they will do this, with acknowledgment of American support, provided they do not feel they are involved in propaganda campaign. He believes scheme can be further broadened by persuading sponsor organizations, e.g., Red Cross, to use members of women's and youth organizations in actual operations and that

it will probably be possible to issue food in American packages, allowing traveler opportunity to repack before recrossing border.

If this scheme can be agreed, it seems to me to afford not only the publicity you need in US but to provide good cover for parcel program which has already increased by more than half-million per month and Germans hope to increase by more than another million by Christmas.

Drawback is that Thedieck feels he cannot announce this substitute before agreement reached with West Zone organizations and assurance no exaggerated publicity here. This may require ten days. Meanwhile, he would propose to issue statement Friday morning German time as quoted below and if you approve would follow with second quote below.

Foregoing plan does not cover clothing program so satisfactorily. Apparently Chancellor advanced this idea without checking with his experts. To extent clothing not identifiable as American it can be handled in parcels, and American outer garments may be used in West Germany, releasing others of German origin for shipment to East Germany. However, I would advise against big clothing drive until we see how this can be developed and believe best if private organizations in US arrange with charitable organizations here.

Disposition of food in pipeline to be worked out with Germans in light of decision and specific plan agreed. Following is proposed joint statement Federal Republic and Berlin *Senat* as drafted by Thedieck and not yet cleared Berlin.

Verbatim text:

"Food packages have been distributed to population of occupation zone and East Berlin since beginning of Berlin aid program July 27, 1953. Millions of families in all parts of middle Germany in this way have received help in their great need. Federal Government and Berlin *Senat* have welcomed with gratitude active support of US in this charitable enterprise.

Unfortunately Soviet Zone authorities have, to ever increasing degree, exposed recipients of these packages to political defamation and economic ruin, thereby completely disregarding humanitarian aim of this help and denying existence of actual supply shortages in their zone. In view of danger to which aid recipients are exposed by Soviet Zone authorities, Federal Government and Berlin *Senat* do not feel they can be responsible for continuation this program. Therefore issuing of food packages in West Berlin will be stopped on October 3, 1953. Federal Government and Berlin *Senat* are aware that need of large segments of population in Soviet Zone of occupation is not eliminated. They will continue to make all efforts to aid Germans of Soviet Zone struggling with their daily needs, to best of their ability and with support of population of Federal Republic and the free world. They are certain that the free world,

with US at its head, will give all possible support to this relief effort."

Following is my proposed statement subject to your approval:

Verbatim text:

"Federal Republic and Berlin *Senat* have recently announced it is impractical to start another round of distribution of food packages in West Berlin for inhabitants of East Zone. This decision has been forced upon West authorities by increasingly hostile attitude of Soviet rulers of East Germany. One hardly needs to underline what a sad state of affairs exists in one part of Germany when authorities take such repressive measures against inhabitants as to prevent them obtaining relief supplies sent by other Germans with the assistance of US Government. American people are glad they have had opportunity of participating in Berlin food package distribution program and are anxious to continue demonstrate their sympathy with Germans who are now under Soviet rule. I am, therefore, glad that Federal Republic plans to continue to make available food to inhabitants in Soviet Zone of Germany and also certain articles of clothing. US will thus continue to assist in humanitarian program of relief."

If these statements are to appear in German press October 3, last day of Berlin program, they must be released Friday noon, German time. [6]

CONANT

[6] In telegram 1079 to Bonn, Oct. 1, 1953, the Department approved the basic proposal transmitted herein by Conant and suggested certain revisions in the draft texts of the two public announcements. (862B.49/9–3053)

No. 756

862B.49/10–1253: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, October 12, 1953—3 p.m.

509. From EAD. Reference Deptel 7 October sent Bonn 1134, repeated information Berlin 236. [2]

[1] Repeated to Washington and Moscow; the source text is the copy in Department of State files.

[2] Telegram 7 approved a HICOG recommendation to delay the termination of the food parcel program from Oct. 3 to Oct. 10, when it was actually ended. It also advocated seizing "all reasonable opportunities" to resume aid to residents of the German Democratic Republic in order to keep alive the spirit of resistance. (862B.49/10–253)

Appreciation of East Germans for generous US aid in form free food has been genuine. Nevertheless, our analysis East German attitudes, particularly workers, since June 17 leads us to firm conclusion they look primarily for political actions from West on diplomatic level as significant sign that West is not letting them down, is properly assessing significance their action June 17 and recognizes what they can do in future to sustain type of resistance which in their opinion can effectively weaken position SED and Soviet in GDR. (See Berlin's EAD telegram August 6 sent Bonn 211, repeated Department 188 [3] and Section B, Part IV and Sections A and B, Part VI EAD paper submitted under cover despatch 217, September 25. [4]) Their primary demands are political in nature revolving around removal present Grotewohl-Ulbricht government and liberation from Soviet-Communist domination through unification. While appreciative of aid which helps sustain their health, they do not want it in dramatic form which strengthens SED power organs and in effect hinders successful political action on highest level which they consider only means achieving liberation from oppression.

Foregoing analysis East German attitudes clearly illustrated by reliable report from trusted EAD source to effect East German workers have no sympathy for colleagues who lost jobs due to picking up food packages in Berlin. On this subject opinion of workers reported to have crystallized into conviction their efforts should be channeled into cooperative joint action within factories to slow down production and thereby bring political pressure upon government. Trips by individual workers to Berlin to pick up food packages regarded as tantamount placing individual interest above group interest and assisting SED organs break up effectiveness organized worker opposition.

In view above, we question reasoning contained numbered paragraph 4, reference Department telegram re attitudes East Germans on nature of actions required by West to prevent their disillusionment and to sustain their courage and effective resistance against present Communist efforts re-establish effective SED party position of power and control.

LYON

---

[3] Telegram 188 maintained that violent resistance by the workers was no longer a viable alternative in weakening the regime in the German Democratic Republic. (762B.00/8-653)

[4] Under reference is a HICOG briefing paper intended for use by Conant at the Vienna chiefs of mission meeting, Sept. 22-24 (see Document 750). Twenty-three pages in length, it consisted of a summary of events in the German Democratic Republic since June 16 and an analysis of the implications of these events for U.S. policy toward Germany and the Soviet Union. (762B.00/9-2553)

No. 757

Eisenhower Library, Eisenhower papers, Whitman file

The United States High Commissioner for Germany (Conant) to the President

SECRET
OFFICIAL PERSONAL

BAD GODESBERG, October 19, 1953.

DEAR MR. PRESIDENT: The staff here in Bonn is now busily at work preparing material for Mr. Stassen's summary of the food distribution program in Berlin. This will come to you in due course, but I am venturing to send you this personal note on a matter too confidential to be included in the official papers. It is a bit of history of the crucial period of the program which involved a sharp disagreement with the British.

After the brilliant idea had been developed in Washington that you should make an offer to the Soviets of food for the East Zone and after the Soviets had refused, the question arose how could we get this food to the East Zone inhabitants. We all recognized this required the cooperation of the Germans in the Federal Republic and this was forthcoming. But the scheme which was actually put into effect and which proved to be an enormous success was largely the result of the foresight and initiative of one man—the late Mayor Reuter. He was the man who persuaded his Berlin associates on the one hand, and the officials of the Federal Republic on the other, to start the distribution of food in West Berlin.

I got in touch with him personally early in the planning stage and gave him my enthusiastic support. In so doing I must admit I failed to keep my British and French colleagues fully informed. The British High Commissioner was subsequently rather annoyed at me for my early endorsement of Mayor Reuter's ideas. At the same time, I am certain that if I had acted more circumspectly and consulted my French and British colleagues at every stage, the food program would never have been a reality. Indeed, at the last moment the British High Commissioner nearly prevented the initiation of the program because he felt the risks were far too great. He only agreed, he said somewhat bitterly, because he was essentially confronted with an accomplished fact.

I think it is important to realize that the British High Commissioner's fears were by no means unjustified. The operation was a calculated risk and its success should not blind us to that fact. It was Mayor Reuter's keen judgment of the situation that made the calculations an accurate prediction. The Russians had the possibility of blocking the program by a variety of methods, the use of any

one of which would have seriously embarrassed the Allied High Commission and the West Germans. For example, the Soviets might have prevented people going from the East Sectors to the West, that is, they might have cut the city as they did at the time of the riots; they might have immediately tried to stop people travelling from the East Zone to the East Sector, as they eventually did; they might have immediately punished severely those caught with the packages. Such repressive measures, if put into effect at once, would almost certainly have stopped the program. They would have brought on our heads accusations of endangering the life and welfare of the inhabitants of the East Sector and the East Zone. All of these objections were put before me by the British High Commissioner. All of them had been discussed with Mayor Reuter in my first talk. It was his judgment, and on this I relief [*relied*] primarily, that with the state of affairs as they *then* were in the East Sector and East Zone, the Russians would not take the countermeasures which would be effective. His estimate of the situation proved remarkably accurate.

When Mayor Reuter, shortly before his death, decided that the time had come to stop the program, that for me was sufficient reason. His ground for stopping the program were that the Russians had gradually put into effect some of the measures which we feared they might use at once. The consequence was that in Mayor Reuter's view and the view of the officials of the Federal Republic, we were indirectly stopping traffic to Berlin and endangering the welfare of many people in the East Sector and the East Zone. The disadvantages were too great to warrant a continuation of the program.

As far as the experience involving the British is concerned, the less said about the past the better, I am sure you will agree. But the importance of Mayor Reuter's calculations is something that can be spoken about and to me illustrates how vital it is to have a wise estimate of the actual situation at any given moment in the East Zone. Such wise estimates can only be provided by Germans who are in daily touch with East Germans. For the future we must look to a group in Berlin rather than any single man, though I have confidence in both men now candidates for Reuter's position.

To sum up, I am convinced that if we had undertaken this food program at almost any other time in the past two years, it would have been a failure. We caught the Russian authorities off base with an effective tactic, thanks to Reuter's calculation of the existing transient situation. Almost everybody will agree that as a consequence we have completed an operation of great value to Germany and the free world.

May I apologize for sending you this personal letter. The matter is delicate but of importance, I believe, in connection with an assessment of the Berlin food program. May I add my very best personal wishes. I am delighted that all the reports indicate that your summer vacation was successful and that you are in the best of health. May you remain so, is the fervent wish of the citizens of the entire free world.

Sincerely,

JIM

P.S. Referring to a conversation of last April, I am proud to report our American staff in Bonn has been reduced from 615, when I took over, to 336—for the whole of Germany from 1,128 to 778.

J.B.C.

No. 758

762B.00/10-2153: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, October 21, 1953—7 p.m.

542. From EAD. Power position of SED and Soviets in GDR today as compared June–July is sufficiently altered to warrant reviewing current GDR situation as important consideration in analysis future Soviet policy re Germany.

Situation in GDR as of July characterized by shattering of SED Party's internal position of control and by state of confusion and indecision in SED reaching into Politburo. East Germans, particularly workers, were still exhilarated by their newly won sense of power and lack of fear of SED. This found expression in such acts of defiance as fairly widespread work slowdown movements, sporadic work stoppages, expression of political demands and collection of food packages in West Berlin.

Although SED Party and GDR Government still have long way to go to regain effective control over internal developments, indications as of mid-October suggest they making progress. Obvious manifestations of confusion and hesitation of July are gone and replaced by an apparently firm policy. Policy framework within which SED now operating is dual one of political coercion and economic concessions. Most recent indication this duality was October

[1] Repeated to Washington, London, Paris, and Moscow; the source text is the copy in Department of State files.

16 announcement Council of Ministers decree reducing personal income tax against background of terror trials in which so far 35 have been sentenced including two death sentences, eight life imprisonments and average of nine years imprisonment for remaining 25. Defendants these trials were June 17 rioters and informants of West Berlin anti-Communist organization and not "bourgeois" elements, like landowners and businessmen, who figured prominently in trials prior June 9 shift in policy. Apparently SED authorities intend to honor for present reprieve granted these elements under new course.

Strong implication foregoing is that government and SED feel more secure now. Regime is attempting maneuver itself into position where new concessions made appear to flow from strong, confident and solidly anchored government rather than from weak, uncertain government under pressure from below.

Coercive-concessional policy has been developed against background of (a) purge and temporary reorganization of Politburo; (b) purge throughout party apparatus as step in direction organizing party for fourth party congress scheduled late March 1954; (c) promise of significant easing of economic occupation burdens and return of POWs by USSR; and (d) noticeable decline, although not complete disappearance, of slowdowns and work stoppages in industrial plants.

Summing up picture, we conclude that, while regime still potentially vulnerable, its position is considerably improved over July. New spontaneous uprisings, due internal SED measures, now considered unlikely. With extremes of a pre-June 9 ruthless, hard policy and an immediately post-June 17 weak, uncertain soft policy both known factors to all now, appears likely party and government, should they make appreciable progress in next few months in further improving internal security situation, could, if they desired, relax present hard political line. They could expand area of concessions, now limited to economic field, to include political and juridical sectors, without creating momentary political vacuum as in June. Such an expansion, if it took place, would reflect only shift in Communist tactics, not basic policy. This would be sufficient, however, to improve maneuverability of Communists on German unity issue.

LYON

No. 759

Eisenhower Library, Eisenhower papers, Whitman file

The President to the United States High Commissioner for Germany (Conant), at Bonn

SECRET [WASHINGTON,] October 26, 1953.

DEAR JIM: Thank you very much for your letter of the nineteenth [1] which was chock-full of items of interest. Not the least of these was contained in your short postscript.

Your report gave me my first specific information as to the emphatic protest of your British colleague when we were contemplating the distribution of food in Berlin. Your experience serves to show how very difficult indeed it is to secure agreements between allies on any international project requiring positive, rather than merely negative, action.

Strangely enough, I have had the impression, derived from experiences over the past ten or twelve years, that in specific cases where adverse reaction by some other power to one of our common projects was always a possibility, the United States would normally be on the conservative side, the British on the more adventurous. For example, as far back as 1942, I remember that the United States was far more concerned than was Franco to our African invasion. We urged extreme caution and the immobilizing of reserves to protect against this; the British insisted that Franco would do nothing. Then again, in dealing with Stalin, the Americans always looked upon an agreement as final and something to be carried out. The British, on the other hand, were always ready to repudiate an agreement (and allow the Russians to howl) if they thought that in the meantime circumstances had arisen to justify this. I could go on and on.

In any event, results have proved that you did a very smart and courageous thing—I should think that your British colleague could now recognize this.

Your letter will be held quite Secret; but the next time Foster comes to my office, I shall show it to him to read. No one else will see it.

I do hope that you and your family are well.

With warm personal regard,

As ever,

DWIGHT D. EISENHOWER

---

[1] Document 757.

No. 760

611.62B/10-2753

Memorandum by John C. Ausland of the Office of German Political Affairs to the Director of the Office (Morris) [1]

CONFIDENTIAL WASHINGTON, October 27, 1953.

Subject: U.S. Policy Toward Soviet Occupied Germany.

Now that we have completed much of our preparations for the Paris talks and have the note to the Soviet Union out of the way, [2] I have had a little time to give some further thought to our policy on Soviet Occupied Germany:

1. Our objective in Soviet Occupied Germany, as set forth in NSC 160/1, [3] is the reduction of Soviet power. We have learned several things in this regard in the last few months. The demonstrations in Soviet Occupied Germany in June indicated that it is possible to *defy* Soviet power. Unfortunately, however, they also showed (as has been generally recognized all along) that successful revolt against a communist regime backed up by Soviet armed forces is not possible without support from the outside. Even within these limits, the June events indicated that we are in a position to influence significantly—under certain circumstances—what happens in Soviet Occupied Germany. While we knew before June 16 that RIAS was an important factor in East German life, it is now pretty clear that it played a major role in spreading the demonstrations from East Berlin to the Zone. The food program has also made it clear that the right program at the right time can redound to our benefit. In other words, the Soviet position in Germany is by no means impregnable, and western actions can take advantage of its weaknesses.

2. In considering U.S. policy toward Soviet Occupied Germany, however, I believe that we must be careful to take into account the effect our actions will have on other U.S. policies. Soviet Occupied Germany happens to be the point at which two U.S. policy areas—the satellites and Germany—overlap. This picture is further complicated by the fact that our policy on Germany as a whole is linked to our policy on the Federal Republic, which is directed toward its integration with the West. (I might point out also that

---

[1] Marginal comments on the source text indicate that this memorandum was read by Laukhuff and Merchant.

[2] For documentation concerning the Tripartite Working Group meeting in Paris Oct. 21–Nov. 2 and Dec. 16–21, see Documents 312 ff. For documentation concerning the exchanges of notes between the United States and the Soviet Union, July 15, 1953–Jan. 1, 1954, see Documents 257 ff.

[3] Document 214.

in the middle of Soviet Occupied Germany is Berlin, a factor which further complicates the situation.) I believe that U.S. policy toward Soviet Occupied Germany should, therefore, be conceived in terms of these three interlocking policy areas: eastern Europe, Germany and Western Europe.

3. From time to time a question will arise as to the relative priority among our various policies on these areas. I think it pretty clear that if there is any conflict between our policy of reducing Soviet power in Soviet Occupied Germany (as well as the other satellites) and our policy of integrating the Federal Republic with the West, our policy of integration should be given priority. [4] To take one example, we might find that a given course of action regarding eastern Europe would arouse so much opposition among our allies in western Europe that it would seriously jeopardize progress on the EDC, in which case we might have either to abandon or postpone this course of action. . . .

While the main conflicts that will arise in the near future will be between our policy regarding the Federal Republic and our policy of reducing Soviet power in Soviet Occupied Germany and eastern Europe, eventually a conflict may also arise between our policy of unifying Germany and that directed toward the development in eastern Europe of governments independent of the Soviet Union. While our policy on Soviet Occupied Germany can profitably be considered in relationship to our policy toward the eastern European satellites, we should not forget that Soviet Occupied Germany introduces policy considerations not applicable to the eastern European satellites.

4. Another point that we should keep in mind is that we are not likely to achieve the reunification of Germany on terms acceptable to the West in the near future. The courses of action directed toward the reduction of Soviet power in Soviet Occupied Germany should, therefore, be formulated with the long pull as well as the short run in mind. Although recent events have served to weaken dramatically the Soviet position in Germany, these past months have probably been unusually propitious.

If our current note exchange is terminated or talks take place and are fruitless, we may be presented with quite a different situation. We may then find ourselves primarily concerned with reconciling the east Germans to a protracted struggle. Our primary problem then will be keep hope alive, without arousing unwarranted expectations of early unification. While to pose this problem is not to solve it—and I wonder whether there is any ready formula for its solution, we can at least keep in mind that the reduction of

---

[4] In the margin next to this sentence, Merchant wrote the words: "I agree!"

Soviet power is an objective requiring constant medication—rather than occasional shots of adrenalin.

No. 761

862B.49/11-1253: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

CONFIDENTIAL BONN, November 12, 1953—6 p.m.

1652. In conference attended by Mrs. Dulles, Thedieck explained definitive plans for continuing East Zone food action. Refer our 1320 repeated Berlin 260. [2]

1. Interzonal travelers resident East Zone can secure from any Kreis welfare office coupon entitling them to purchase DM 20 worth food at any store. Plan will probably also cover medicine. Apparently, one coupon to each traveler and no provision for renewal each month nor for coupons for family members not present. Food may be used at recipient's discretion to support self while in West or to send home. Will encourage East Zone visits to West which otherwise impossible for lack of support while here. Thedieck says latest figures interzonal travel 200,000 per month and may increase December due to Christmas. To be conservative he estimated 150,000 coupons.

2. As indicated earlier cables this plan would also serve as cover for increased parcel shipments through various charitable organizations. Such shipments have increased from two to nearly three million in recent months and Thedieck speaks of shipments five to eight million in December for Christmas season. Large increase will take place anyway through genuine private shipments and how much larger increase can be realized by using US food support is, of course, unknown at present.

3. US foods will not be used directly in either coupon or parcel program but will be sold on regular market and proceeds used in one case to redeem coupons and in other to subsidize additional parcels.

4. We have been concerned over large residue of food not used in Berlin program. Federal Republic evidently expects to utilize this entire balance and much more since they are now requesting addi-

---

[1] Repeated to Berlin.

[2] Telegram 1320 reported that Conant and Thedieck had held further discussions on the continuation of the food relief program, as discussed in telegram 1258 from Bonn, Document 755. (862B.49/10-653)

tional procurement. We still have some reservation on quantities needed in new program but like the Berlin action, adequate amounts must be available in case demand higher than anticipated. Note DM 20 coupon is nearly 4 times value Berlin parcel which weighed between six and seven pounds. Parcels paragraph 2 may average five pounds. Will send subsequent cable after we have analyzed request and satisfied selves as to justification.

5. Interzonal aid paragraph 1 can be publicized, but all agreed there must be no publicity over US participation in increased parcel shipments through charitable organizations and hence recipient will have no direct knowledge of US help. Interzonal operation will serve as a cover for time being but will not finally explain to Congress and American people where $15,000,000 food went. We understand no technical accounting problem arises since FOA has recognized necessary limitations and will be satisfied with accounting by German governmental agencies. Our concern what happens when someone adds up publicly known distribution figures and finds them thousands of tons short. It was suggested Department's relations with Congress assured their discretion but this still leaves press as possible danger point. It was also suggested some general statement could be made we were satisfied German authorities had gotten food into East Zone hands by various means with perhaps general reference to parcel shipments. Agreed such remittee statements unobjectionable but again possibility arises newshounds would be set off hunting for story.

6. We believe programs paragraphs 1 and 2 must proceed since based on our promises already made but urge careful interagency consideration of problem paragraph 5 since statements and releases received here originating various sources Washington have not always followed consistent policy and proposed operation paragraph 2 might offer test of our ability to carry out promises to Germans of no publicity in quasi-undercover operation. Department may wish emphasize with other agencies that many East Germans, e.g., political prisoners, actually depend on present parcel shipments for existence. Hence, sensitivity to anything which risks interference and grave risk our relations and future policy if US publicity resulted in GDR stoppage parcels.

7. This message not coordinated with Mrs. Dulles who is in Berlin.

8. Separate cable follows on clothing program. [3]

CONANT

---

[3] Reference is to telegram 1651 from Bonn, Nov. 12, in which Conant reported that Eleanor Dulles and Thedieck had agreed to combine a clothing program with the food relief program. (862B.49/11-1253)

No. 762

762B.00/11-1853: Telegram

The Director of the Berlin Element, HICOG (Lyon) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, November 18, 1953—3 p.m.

644. From EAD. Reference Berlin's telegram sent Bonn 643 repeated Department 561. [2]

Reference telegram expressed opinion June 17 repetition at present unlikely result from implementation current SED policy of liquidating potential resistance and opposition in GDR although SED now entering period when will face test of this policy. This winter, because of probable internal economic difficulties, balance between political coercion and economic concession will become extremely delicate. Possibility exists that, in such situation, external political developments can upset balance, giving rise to unrest and political action similar June 17.

June 17 uprisings caused East Germans take new lease on life and encouraged them believe liberation from Communist rule might be achieved. Fact uprising quickly quelled by Soviets without sacrificing Grotewohl-Ulbricht Government was discouraging. But initiative seized by West on unity issue with series notes inviting Soviets to Lugano kept hopes East Germans alive. While not much direct evidence available, we strongly suspect, basis subjective analysis, that negative Soviet position on four-power German conference has had depressing effect on East Germans.

Moreover, if Bermuda conference leads to early ratification EDC or consummation some other arrangements to grant Federal Republic full sovereignty and green light given for establishment West German defense forces, believe this action, plus dire Soviet predictions of consequences, will depress East Germans and may make them desperate. Instead of seeing their June 17 uprising and sacrifices leading to unification and liberation from Communist oppression they may become convinced *status quo* of split Germany becoming solidified, and that their last chance for liberation through peaceful unification has disappeared.

We believe one of two things might result from such a development.

---

[1] Repeated to Washington, London, Paris, and Moscow; the source text is the copy in Department of State files.

[2] This telegram, dated Nov. 18, reported that the GDR governmental policy of political coercion and economic concessions was continuing successfully, but that its future success depended upon the supply of consumer necessities. (762B.00/11-1853)

(1) Either East Germans, sparked by more irresponsible minority elements who came to light June 17, will resort to political act of desperation in hope it will force Soviets to negotiate or, failing this, oblige West come to their aid militarily; or

(2) They will become more resigned to making their peace with an increasingly more sovereign and independent Communist-dominated GDR Government, more thoroughly integrated as part of Soviet orbit.

While, subjectively, we can only regard reaction (1) above as a possibility and not probability (due improved capabilities East German police handle new disorders, demonstrations, strikes, etc.), we believe atmosphere such that it would be prudent for US Government give thought now as to what policy and actions its various agencies should follow in the event of such a development. Should reaction to developments be along lines described in (2) above, this too poses problem, although of different nature, as to what policies and action US Government should pursue. [3]

LYON

[3] At the time that this telegram was transmitted, NSC 174, "United States Policy Toward the Soviet Satellites in Eastern Europe," Dec. 13, 1953, was in its final stages of preparation.

No. 763

MSA-FOA telegram files, lot W 130, "Bonn Tousfo": Telegram

The United States High Commissioner for Germany (Conant) to the Foreign Operations Administration [1]

CONFIDENTIAL BONN, January 6, 1954—7 p.m.

Tousfo 457. References: (A) Usfoto 450, repeated Berlin 363, (B) Usfoto 471, repeated Berlin 385, (C) Tousfo 447, (D) Usfoto 447, repeated Berlin 362, (E) Deptel 1859, repeated Berlin 382. [2]

1. Reference telegram (A) and immediately preceding cables suggest East German food operation is now regarded as economic aid requiring usual justification (although reference telegram B implies less stringent criteria). In our view this operation, ever since July inception, has been psychological warfare (and also surplus food disposal) program which never had normal economic justification

[1] Repeated to Berlin.

[2] None printed; all dealt with various aspects of implementing the relief programs for residents of the German Democratic Republic. (MSA-FOA telegram files, lot W 131,"Bonn Usfoto" for references A, B, and D; MSA-FOA telegram files, lot W 130, "Bonn Tousfo" for reference C; Department of State file 862B.49/12-953 for reference E)

and was not devised primarily for benefit East or West Germans. Hence, usual economic criteria not applicable. Examination of cables commencing July 1, 1953, with Deptel 5 repeated Berlin 2 and Deptel 20 repeated Berlin 4, [3] leaves no doubt program had this character up to Usfoto 422 on 8 December. [4] You will note vigor with which we were ordered to assure dramatic use of $15 million food with maximum publicity, and also pressure exerted to these ends by US press and Congress. Present distribution plan devised in this atmosphere because we believed and so advised Department, that after highly dramatized performance July–September US would not only be acutely embarrassed but its prestige would suffer very serious setback if advertised program faded out halfway to goal. Soviets took heavy beating during Berlin distribution and will repay it with interest at first opportunity not only in Germany but elsewhere.

2. It is HICOG's opinion that:

(a) There is no justification for East German food program as ordinary FOA economic aid program and if it were now considered to depend on such justification it should be discontinued as rapidly as we can disengage ourselves from our commitments. Before reaching such decision, possible press and Congressional reaction should be considered.

(b) As psychological warfare program we cannot hope to equal last summer's tremendous success but we may still win substantial credit by seizing appropriate opportunities to aid East Germans under circumstances where they will know source of aid. Publicity is not essential element since our credit with East Germans is established by deeds not words and knowledge of these automatically spreads to West. Indeed excessive publicity may be disastrous by causing Soviets to block existing flow of food packages from Federal Republic to Soviet Zone; this and related danger of interrupting West Zone charitable activities in East Zone is so serious that Federal Republic charitable associations will have nothing to do with our various programs. Any program we undertake will, from point of view of East German need, be far less important than existing German programs.

3. Some comments and inquiries reference telegram (A) appear to us inconsistent with established facts and if program proceeds further it seems essential we both operate on common understanding of such facts.

(a) First sentence paragraph 3 re assuring German contributions to our program in order to maintain and foster maximum German interest. We must emphasize that West Germans individually and

[3] See footnote 2, Document 720.

[4] Usfoto 422 estimated that $4 million of the original $15 million allotment still remained to be used in the current food relief program and discussed ways to expend it. (MSA–FOA telegram files, lot W 131, "Bonn Usfoto")

officially are far more interested than us in supporting East German relatives, friends, political persecutees, institutions, etc. While government and many Germans delighted our assistance, our program is US, not German, program. Original Adenauer request stimulated by us as followup to 17 June and made by him during election campaign. Operation relatively far less important than their own programs, which represent some real strain on their available resources. We can enlist German interest and support for our program only if it supplements theirs, not if it competes and draws away money. As you know, our program already unpopular with organized charities because they feel its political character endangers their institutions, apparatus, and work in East, and government will certainly not sacrifice their essential cooperation in activities described in October 27 report. [5]

(b) Questions paragraph (2) (D) re German agency and government contributions, and specifically contributions to mailing first three million and additional packages. Of two to eight million packages mailed per month, large number are purely private. Remainder are from agencies, partly own programs, and partly in cooperation with government which contributes to cost of poster campaign, some part of mailing and probably some part of organization. We can get facts so far as known to government but hesitate to do so until we know proposed use. . . .

(c) For same reason we are much concerned with statement paragraph 3 that October 27 report will be made "appropriately" available. We hope someone in authority appreciates dynamite in this report if its many references to system become known.

(d) Supplemental assistance mentioned paragraph (2) (C) is from our program. See reference telegram (C).

4. Re medicine and medical care, reference telegrams (D) and (C) paragraphs I (B), IV and V. We long since authorized such use by Germans, believing you not only authorized but originally suggested it. We can, of course, cancel medical items without serious repercussions but from standpoint East German need no actual aid, this is highly desirable item and involves comparatively little money. We urge authorization.

5. Re Berlin children's clothing program reference telegram (E).

(a) Further consideration depends on clarification basic policy per preceding paragraphs and situation which develops after four power conference. Greatest need for clothing will then have passed due to end of winter and atmosphere might be so delicate it would be unwise to start new Berlin action for some time.

(b) We doubt German financial participation since they do not particularly seek this program and it would impair their ability to further basic German programs. Administrative services were to be provided by Berlin city administration as in Berlin food distribu-

---

[5] Reference is to a brief history of the food relief program for the German Democratic Republic from July 1 until Oct. 9, 1953. Nineteen pages in length, it was prepared by the staff of HICOG in Bonn and was transmitted in despatch 1216 from Bonn, Nov. 3. (862B.49/11-353)

tion. Can't wholly eliminate open end aspect of program since we never know how many East Germans will come. Best guarantee against fraud is East German need.

(c) Re paragraph (3), impact program on DM West-East exchange rate would depend almost entirely on how Berlin Central Bank introduced eastmarks into open market.

Bank has in past been inclined favor keeping value eastmarks up, and probably would take no action, such as dumping, to decrease their value in terms westmarks. Likelihood that any bank decision not to introduce eastmarks into open market would result in significant appreciation in value of eastmarks considered slight. Therefore, appears to us DM West-East exchange rate would remain reasonably steady throughout operation, unless affected by other factors.

CONANT

No. 764

Editorial Note

On January 25, President Eisenhower approved NSC 5404/1, "U.S. Policy on Berlin," which superseded NSC 132/1, Document 547. Insofar as it dealt with the German Democratic Republic, the policy outlined in NSC 5404/1 was based on an assessment of the opportunities and vulnerabilities facing the Soviet Zone by virtue of Berlin's special position. For NSC 5404/1, see Document 600.

No. 765

762.0221/3-1154: Telegram

The Director of the Berlin Element, HICOG (Parkman) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, March 11, 1954—7 p.m.

1103. From EAD. Recently, and especially during past ten days, we have received number of reports through various channels on: (1) Soviet plans for declaring GDR a sovereign state, (2) GDR plans for strengthening its military forces and (3) special police action to suppress potential and actual resistance in GDR.

---

[1] Repeated to Washington, Moscow, London, and Paris; the source text is the copy in Department of State files.

Re category (1) see telegram to Bonn 1094, repeated Department 939, Moscow 235. [2]

Re categories (2) and (3), . . . can confirm only that recruitment somewhat intensified (apparently, however, to maintain, not increase KVP strength) and that arrests of opponents of regime continue as during past months. While we, therefore, discount such reports, West Berlin press and foreign correspondents in Berlin regard them as newsworthy. When such stories picked up by West Berlin media, East press follows with denials which point out unreliability of West press and radio and, almost invariably, use denial as peg on which to hang attack on West German remilitarization and exposition GDR devotion to peace and German unity.

This pattern, which has emerged during past few days, suggests very strongly that reports are being planted by East to give occasion for kind of denial described above. Logical target in this propaganda maneuver would be East Germans. Objectives probably: To discredit Western media, which are principal source real news for East Germans and which currently enjoy greater than usual influence due Berlin conference and strong pro-Western sentiment suppressed by GDR internal security precautions; to create new pegs for already overworked propaganda line which is largely limited to theme of danger West German militarism compared to Communist readiness negotiate for reduction tension; to call into question Western proposals for German unity and US-Federal Republic inventions re EDC; to call into question other West assertions, particularly re living conditions in Federal Republic as compared GDR, thus reducing refugee flow; and, possibly, to confuse West governments Soviet/GDR intentions.

Problem for EAD in this situation is increased difficulty separating rumor from fact or probability, but this not too serious in view our contact with US and German agencies in Berlin.

We realize Department has more serious problem, since Congress and public may be influenced by steady flow of unconfirmed reports on Soviet/GDR plans and GDR developments. This connection, judicious dissemination in Washington of view that GDR probably deliberately circulating false reports might make problem less acute, if in fact it exists.

We do not mean to suggest by this telegram that Soviet declaration of GDR sovereignty, introduction of conscription or other rumored developments which may be reaching Department through press are excluded as possibilities. We are simply reporting that up

---

[2] Telegram 1094, dated Mar. 8, reported that a West Berlin news agency had released a story on Mar. 6 to the effect that a Soviet declaration of sovereignty for the German Democratic Republic was imminent. (762.0221/3–854)

to now reliable sources have not confirmed such reports. We will of course continue to report, without specific request, substantiated facts and probabilities, particularly (in pre-Geneva and pre-ratification period) re Soviet/GDR unity policy, resistance, GDR autonomy, and plans for KVP.

PARKMAN

No. 766

762B.00/3-2654: Telegram

The Director of the Berlin Element, HICOG (Parkman) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, March 26, 1954—6 p.m.

1139. From EAD. USSR declaration re relations between Soviet Union and GDR, published East press today, [2] does not appear to us even ostensibly to grant "full sovereignty" to GDR. According to declaration, "Soviet Union takes up with GDR same relations as with other sovereign states", GDR granted right "to make decisions re her internal and external affairs, including questions of relations with West Germany", and Soviet HICOMer no longer supervises "activity of state organs of GDR". But declaration makes clear that "Soviet Union retains in GDR functions which connected with guaranteeing security and result from obligations proceeding from four-power agreements". Soviet HICOMers functions reduced, but he remains, specifically to deal with "above-mentioned guaranteeing of security", and to maintain contact with US, British, French representatives on "questions of all-German character" and matters "which arise from agreed decisions of four-powers". Also, declaration notes GDR has obligated self to operate within framework Potsdam agreement as relates to "democratic and peaceful" development of Germany, and "temporary maintenance of Soviet troops in GDR".

In general, declaration appears to be formalization of what Soviets and GDR have claimed situation to be, except for specific re-

---

[1] Repeated to Washington, Moscow, London, and Paris; the source text is the copy in Department of State files.

[2] In a declaration dated Mar. 25, the Government of the Soviet Union decreed that its future relations with the German Democratic Republic would be governed by the principle of full sovereignty. The Soviet High Commissioner would serve only to represent the Soviet Government in discussions with the other High Commissioners on questions of all-German affairs. The GDR Government acknowledged this declaration in a reciprocal decree of Mar. 27. The texts of the two declarations are printed in *Aussenpolitik der DDR*, vol. I, pp. 303 and 304.

nunciation of supervisory authority over GDR state organs and opening of way for GDR offer to establish diplomatic relations with Federal Republic. Seems "logical extension Soviet GDR position revealed . . . over past months and . . . at Berlin conference" [3] (EAD telegram Bonn 1134 Department 973 Moscow 242 pouched London Paris [4]). We do not expect declaration to end *de facto* Soviet control over internal or external affairs of GDR any more than did previous less formal statements re German Democratic Republic competence to deal with Federal Republic.

Access to Berlin seems be in no more jeopardy than before declaration made, insofar as right of access derives from four-power agreement. Check points at Helmstedt and Dreilinden reported at midnight last night no change in checking procedure for Americans and this morning gave same report. We will, of course, report immediately any change in procedure as it affects allied nationals, other foreign nationals or West Germans and West Berliners.

If access rights not later affected—and we have no evidence change in this field will come—most significant aspect of declaration is fact it gives further evidence fraudulence of Soviet position on unity issue. Soviet line is that GDR–Federal Republic negotiations essential element in reunification process. Soviet Union knows GDR regime is discredited, unacceptable to majority Germans East and West. Further Soviets go in raising status of GDR, more massive is obstacle to unity and closer GDR comes to satellite status.

Key question arising from issuance declaration is whether Soviets, as matter policy, intend, when particular issues involving essential allied rights in Germany arise, to agree with three west powers that these rights are in fact covered by quadripartite agreements; and, to extent disagreement, what position allies will take.

PARKMAN

---

[3] Ellipses in the source text.

[4] Telegram 1134, dated Mar. 25, commented on press speculation that a sovereignty declaration for the German Democratic Republic was imminent. (762B.00/3-2554)

No. 767

762B.00/3-2654: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

CONFIDENTIAL PRIORITY BONN, March 26, 1954—9 p.m.

3004. While it will take time fully to assess implications for US policy of Soviet declaration of DDR sovereignty, and practical application to our problems and position here, following are my initial views of guides to developing our position:

First: While refusing to recognize DDR, we must not let ourselves be led into taking a position which will prejudice interests of either East or West Germans as people or US relations with Federal Republic. More important than ever so to deal with East German individual as to encourage his feeling that the West stands with him. This requires solution of practical problems, e.g., DDR passport for transit across Federal Republic and visits to Western countries, with emphasis on political aspects rather than technical legal concepts international law. Department will have observed that latter have never hampered Soviet, and indeed West has modified them as necessary during and following two world wars. I propose urge British and French here to recognize these facts and that phraseology of Soviet statement clearly tells us Soviets will deal with HICOM only when their own interests so dictate but otherwise will ignore our protests and refer us to "sovereign" DDR. I propose also to make point we must devise plans to recapture initiative and avoid conservatism which has sacrificed past chances, e.g., letter on freedom of communications [2] prior to Berlin conference. I suggest to Department desirability of statement that German unification remains basic to our whole policy and that, while we will not recognize illegal Soviet-imposed DDR regime, we will not permit this to stand in way of continued support for and service to interests of East Germans themselves. [3]

Second: I cannot assess impact on French, British or Italian but note that we were in the past able to count on Soviet aggressive moves to strengthen Western solidarity, I should hope we might find they have once more helped us and this Soviet action can be used to break log jam with respect to EDC. While German reaction

---

[1] Repeated to London, Paris, and Moscow.

[2] Prior to the convening of the Berlin Conference, Conant had wished to address to Semyenov a letter concerning the removal of travel restrictions between the German Democratic Republic and the Federal Republic. At the request of the British and French, he had agreed to postpone sending such a letter until after the end of the conference. For the correspondence between U.S. and Soviet representatives on this subject in the spring of 1954, see Department of State *Bulletin*, Apr. 5, 1954, pp. 508–510, and *ibid.*, June 7, 1954, pp. 879–881.

[3] For the specific recommendations by Parkman concerning the issuance of a statement of the sort suggested by Conant, see telegram 1141 from Berlin, Document 769.

is so far purely speculative, my guess is only a few leaders, including Chancellor, will initially appreciate range of practical problems unloosed by Soviet action. Full significance will soon become apparent, however, and I believe we can use this effectively to urge German flexibility on pending questions if there is comparable response in other capitals.

Third: SPD is, of course, unpredictable. It will not surprise me if Ollenhauer, smarting under criticism from own ranks and outside, and perhaps under Wehner influence, charges recognition and further splitting of Germany to allied intransigence at Berlin and failure to offer abandonment of EDC in return for German unification. If so, I would expect further reaction against their present leadership. Department should note several potential leaders of SPD reform are its guests and while any discussion with them of internal SPD policy would be resented, it might be extremely fruitful to arrange high level conference to discuss implications of Soviet move for Germany and German people.

I would appreciate Department views in this field before I seek Chancellor's views Monday.

CONANT

No. 768

762.0221/3–2754: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET WASHINGTON, March 27, 1954—4:06 p.m.

2715. Re announcement new DDR status our preliminary views as follows:

We judge new Soviet-DDR relationship on surface may be somewhat similar to arrangements provided for Federal Republic in Contractuals. [2] Soviets evidently retaining right station troops and doubtless right to protect their security as well as right to act in matters covered by international agreements re Germany. On paper new DDR status appears preserve for USSR essentially same fields authority reserved to Allies in Article 2 Convention on Relations. [3] If so, we think at present stage no official notice need be communicated to Soviets. In general we believe our basic line (as set forth Department's A–1323 March 16, 1953, [4] much of which

---

[1] Drafted by Carlson and cleared by Thurston, Bonbright, and Lyon. Repeated to Berlin, Moscow, London, Paris, and Vienna.

[2] For documentation concerning the Contractual Agreements of May 26, 1952, see Documents 50 ff.

[3] Document 51.

[4] Airgram 1323 speculated on possible measures to be taken by the Soviet Government in its relations with the German Democratic Republic. (762B.5/3–1653)

seems still pertinent) should be to take official notice only of any further developments which (1) directly affect right of access to Berlin, or (2) go further than we have under Contractuals, or (3) are contrary to Soviet-Allied agreements.

It seems to us that best position to take in public statements is that German unification remains basic to our policy, that we will not permit any new paper arrangements between Soviets and DDR to stand in way continued support for and service to interests East Germans themselves, that DDR sovereignty is fictitious and nothing has really changed since Soviet officials, whatever their new titles, supported not by population but by presence Soviet troops, remain as real rulers Soviet Zone and SED minions will continue carry out orders. At same time we believe that since our position is that no real change has occurred we should not build up importance of development by giving it inflated political and propaganda treatment. When necessary we should express ourselves along lines mentioned, since we consider best course for present is to play down new arrangement, treating it as of little significance and avoiding any impression that it is important event or disturbing us.

In attempting to anticipate practical problems which may sooner or later arise, we think most likely ones would be DDR attempts to control rights Berlin access, especially personnel movements. If DDR interferes with access or announces intent to assert control, we think prompt consideration should be given to despatch letters to Semenov and/or notes to Kremlin, notifying Soviets that Western Powers will continue hold Soviets strictly responsible for actions DDR officials and that Western Powers intend maintain and protect rights won as result World War II as well as rights embodied in agreements re Germany to which USSR is party. Guiding principle for us should be to avoid taking initiative in changing existing procedures in order to hold Soviets fully responsible. If as practical matter we have to adapt our practice to new requirements, decision should be determined by consideration whether situation should be tolerated or is such that Soviets should be challenged and charged with consequences. At first sign DDR interference we would welcome full report and your suggestions. We appreciate that our decisions on these problems may have to be somewhat reconciled to views of our Allies and Federal Republic.

In meanwhile Department is studying variety of practical problems which may arise. This requires legal and inter-Department and inter-agency consultation. Department intends forward its views early next week.

DULLES

No. 769

762B.00/3–2954: Telegram

The Director of the Berlin Element, HICOG (Parkman) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, March 29, 1954—2 p.m.

1141. From EAD. Reference our telegram to Bonn 1139, repeated Department 973, Moscow 244, London 207, Paris 238. [2]

If immediate or future tripartite public statement or parallel notes to USSR regarding Soviet declaration being contemplated, following considerations perhaps pertinent:

Soviets no doubt keenly aware of difference between, on one hand, three powers positive statement as to how they would react to any attack against Berlin and, on other our failure say what we would do if access to Berlin interfered with. In essence, declaration grants to GDR authority previously held by USSR in Germany minus authority stemming from quadripartite agreements. Thus, for Soviet purposes, definition of powers held by "sovereign" GDR depends upon what Soviets contend is or is not covered by quadripartite agreements. Within certain limitations, therefore, definition of GDR powers can be expanded or contracted as suits Soviet policy. Since West has not clearly expressed determination to keep routes to Berlin open to degree necessary for maintaining position here, this may be field in which tendency to expand GDR powers will develop. Seen in this light, although declaration seems to have been motivated primarily by other considerations, it could serve as basis for probe to elicit Western reaction, which Soviets would then take as indication of what we will do if access threatened.

While access most important question to be treated in statement or note, might also be desirable, for reasons not yet apparent, to reiterate our view that East German officials are agents of Soviets in theory and fact. Points of contact between ourselves and Soviets and, to lesser degree, between West and East Germans are numerous enough to permit considerable maneuvering by Soviets/GDR in defining dividing line between Soviet and GDR competence in light of declaration. This connection, believe it would be useful exercise to draw up inventory of such points of contact and basis for method presently used in handling contact in each case. We should then develop series positions on attitude or action we would take if Soviets or GDR attempt alter method. (For example, if HICOG employ-

---

[1] Repeated to Washington, London, Paris, and Moscow; the source text is the copy in Department of State files.

[2] Document 766.

ee at zonal border confronted with Vopo instead of Soviet soldier for travel order check, what should he do? What would governments of three powers do?)

GDR will doubtless begin almost immediately to weave principle of sovereignty into its line on unity and into its statements on East-West German negotiations. In testing three powers and West Germans, GDR will probably offer negotiate with Federal Republic specific issues (e.g., further easing of inter-zonal travel restrictions) in context which carries threat of increased restriction if no response to offer by Federal Republic thus, GDR "sovereignty" becomes potential lever to pry Federal Republic into position where it negotiates, without process clearly involving Soviets. Statement by West that East German officials are agents of USSR would put Soviets on notice we will not give them advantage of operating behind cover of GDR threat or action. Statement might even deter them from so operating.

Any statement from us should be quite firm without being provocative. If such statement is to be made or note sent, would seem advisable take such action reasonably soon so as minimize chance Soviets will grant GDR authority in access field or GDR will exert authority without further grant.

Statement might make following points (some of which might not be appropriate for note):

(a) Declaration on USSR–GDR relations does not appear to essentially alter situation in Germany. East German regime in fact remains under control of Soviet Union even in those areas of responsibility where independence has ostensibly been granted.

(b) Three powers do not, of course, recognize sovereignty of East German regime nor do they intend to deal with it as a government.

(c) Three powers continue to regard East German officials as agents of the Soviet occupying power.

(d) Three powers consider that quadripartite agreements cover, *inter alia,* maintenance of three powers position in Berlin and movement of nationals and goods of three powers, of other countries, of Federal Republic and of Berlin between the Federal Republic and Berlin. Three powers do not recognize right of representatives of East German regime to implement such agreements except in purely administrative capacity as agents of Soviet occupying power and, even in that capacity, to no greater extent than may be acceptable to all four powers.

(e) Change in procedures affecting movement of persons or goods between Berlin and Federal Republic, except in direction of less control, not acceptable to three powers. [3]

---

[3] For text of the Tripartite Declaration on the German Democratic Republic, issued by the U.S., French, and U.K. High Commissioners at Bonn on Apr. 8, see Department of State *Bulletin,* Apr. 19, 1954, p. 588.

Foregoing drafted before we received Department telegram to Bonn 2715 repeated Berlin 649, Moscow 599, London 5005, Paris 3359, Vienna 2840. [4] We recognize desirability of not overemphasizing importance of Soviet declaration. At same time, since Department apparently already considering problems which might arise as GDR assumes "sovereign" rights and seems be particularly concerned (as we are) with potential effect this process on our access rights, we believe telegram as originally drafted may still be pertinent and possibly serve useful purpose in your consideration this problem.

PARKMAN

[4] *Supra.*

No. 770

762B.02/3–3154: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

CONFIDENTIAL WASHINGTON, March 31, 1954—7:22 p.m.

5081. Recent Soviet move in granting so-called sovereignty to East Zone German Democratic Republic (GDR) has potentially serious implications and may give rise to variety of complications. Department is urgently studying this question in order formulate guidance for HICOG in reaching coordinated tripartite positions. Meanwhile it appears likely that Soviets, GDR, and satellite states will increase efforts in every way possible to obtain official recognition of GDR as an independent state. It is in joint Allied interest that this be avoided and that Missions of three powers in other countries exert any appropriate influence to this end with governments to which they are accredited.

Department accordingly suggests that objection to recognition of GDR be again impressed on other governments, as we have done twice already. See Circular Airgrams of February 10, 1950, 12:45 PM and November 19, 1952, 7:30 PM. [2] Consult respective Foreign Offices soonest and inform Department their reactions. Discussion with other governments might go along following lines: Although recognition juridically within competence each Government to decide for itself, and there may be strong temptation for certain

[1] Drafted by Auchincloss and cleared with Beale, Thurston, Kidd, Lyon, and Elbrick. Repeated to Paris for action and to Bonn, Berlin, and Moscow for information.

[2] For the circular airgram of Feb. 10, 1950, see *Foreign Relations*, 1950, vol. IV, p. 942; for the circular airgram of Nov. 19, 1952, see Document 705.

states to grant recognition either for trade advantages or in accord with neutralist policy, there are strong political reasons why any anti-communist Government should refrain. GDR's "sovereignty" is facade for satellite regime without any popular support (witness riots of June 17). It makes reunification of Germany considerably more difficult and remote, and in fact appears have been undertaken by Soviets in large part as move to mask their determination prevent unification. Recognition of GDR would amount to an embarrassment and affront to Federal Republic which we consider only German Government freely and legitimately constituted and therefore entitled to speak for Germany as the representative of German people in international affairs.

British and French might also be asked whether they share our view Federal Republic should be urged associate itself with Allied *démarches* this matter. Federal Republic should make its position clear promptly to accredited representatives Bonn.

DULLES

No. 771

762B.00/4-2154: Despatch

The Director of the Berlin Element, HICOG (Parkman) to the Department of State

CONFIDENTIAL BERLIN, April 21, 1954.

No. 789

Subject: Fourth Party Congress of the SED: [1] Topic A—General Political analysis

Organization of Reporting on the Congress

Because of the significance of the Fourth Party Congress of the Socialist Unity (communist) Party (SED) for analysis of Soviet and SED policies in Germany, this office has organized its reporting of this major event as follows:

I. Information telegrams, referenced below, [2] on the highlights of the Congress as it occurred. Both political and economic topics were covered.

---

[1] For a complete record of the proceedings at the Fourth Congress of the SED, which met from Mar. 30 to Apr. 6, see *Protokoll des IV. Parteitages der SED.* Excerpts of documents produced by the Congress are also printed in *Dokumente der SED*, volume V.

[2] At the bottom of the first page of the source text, there appeared a list of 11 telegrams from Berlin, bearing dates from Mar. 31 to Apr. 10. All of these telegrams, reporting various aspects of the SED Congress, are in Department of State file 762B.00.

II. A series of despatches which provide additional information, but concentrate on analysis and comment on the major trends and problems revealed by the Congress.

Initially, it has been planned that these despatches will cover the following general topics:

A. General political analysis of the Party Congress and specification of the major trends and problems. The policies which the SED has decided to implement as indicated by the Congress.

B. Decisions made at the Party Congress to improve and strengthen the SED as the principal German mechanism of international communism in Central Europe. The new Party Statutes and the comments of Walter Ulbricht and Karl Schirdewan will receive particular attention.

C. The treatment of the topic of defense and internal security by the Party Congress. The statements of important leaders on the degree of opposition to the regime and their analysis of SED and GDR capabilities.

D. Personalities, collective leadership, and the election of leading organs of the party.

E. Implications for US policy and analysis of future moves by the SED based on our observations of the Party Congress.

This despatch covers topic A above and is the first in the series of despatches. Subsequent despatches will carry the topic designation. [3]

Summary

The Fourth Party Congress of the SED was held in East Berlin March 30–April 6 after an interval of four years since the last Party Congress which was held in July 1950. [4] In this interval there have been significant political, social and economic developments in both East and West Germany; fluctuations and changes in the policies of the occupation powers; and a major change in the balance of power in Europe. For these reasons, a Party Congress was evidently needed to re-examine the development and capabilities of the SED and to determine SED policies, in view of the deeper division between East and West Germany which now suggests an indefinite split of the nation.

In these circumstances, and considering the disproportionate strength in favor of West Germany plus the internal political and economic weaknesses of the East German state, it was both logical and practical for the Party Congress to approve policies which are

[3] Topic D was covered in detail in despatch 791 from Berlin, Apr. 22, not printed. (762B.00/4-2254) For a discussion of topic C, see despatch 823 from Berlin, May 3, *infra*. For a summary of the discussion of topic B, see despatch 866 from Berlin, Document 773. No discussion of topic E has been found in Department of State files.

[4] For documentation concerning the Third SED Congress, see *Foreign Relations*, 1950, vol. IV, pp. 942 ff.

essentially defensive in nature, and which are aimed at strengthening the GDR as a state and at rebuilding a platform for communist political action in West Germany. Such action of the Party Congress may be traced directly to the sixteenth session of the SED Central Committee last September * when Walter Ulbricht reviewed SED policies in light of the West German federal elections. It was clear at that time and it has been further verified by the Fourth Party Congress that Soviet policy in Germany has fallen back on the national sovereignty thesis in its alleged championship of German unity and its efforts to disrupt the speed of integration of West Germany into the Western system. The next line of defense would seem to be full satellization of the GDR; but there was no hint in the Party Congress that this measure is receiving attention now. Rather, the Party Congress underlined the SED's plans to fully employ all types of tactics, ranging from the "united, patriotic front" technique to the "workers' front" and "unity of action" within the German working class, in order to prevent remilitarization of West Germany and to create a "new Germany" which would be of no danger to its neighbors and which would provide for the social welfare of its citizens.

Internally, the regime is faced with admittedly complex political and economic problems, essentially, the task of narrowing the gap between the SED-GDR and the populace. Political action rather than economic concessions was given as the principal immediate means for solving this problem.

Introduction

The two significant groups of interrelated problems before the 2400 selected delegates and alternates at the Fourth Party Congress of the SED were:

1. How can the SED be further developed and improved in order to increase its capabilities as the most important German mechanism of international communism and Soviet policy in Central Europe? The answer to this question was given in standard Marxist-Leninist jargon superimposed on the previous development and experiences of the SED since the party was formed by amalgamation of the German Communist Party (KPD) and the Social Democratic Party (SPD) in 1946. The prototype provided by the Nineteenth Party Congress of the Communist Party of the Soviet Union (CPSU) in October 1952 was plainly visible behind the decisions made in adopting new SED Party Statutes, electing a new Central

* See Berlin/EAD telegram September 19, 1953, sent Bonn 426, rptd Dept 377, Moscow 47, pouched unn Paris and London. Also see Berlin D-229, Oct. 5, 1953. [Footnote in the source text. For telegram 426, see Document 751; despatch 229 which described the proceedings of the sixteenth session of the SED Central Committee, Sept. 17–19, is in file 661.62/10–553.]

Committee, and underlining the concept of collective leadership in the reelected central apparatus.

2. What policies should the SED pursue in view of the deeper division between East and West Germany as a result of the major developments since the Third Party Congress in July 1950 and particularly since the Second Party Conference in July 1952? [5] The answer to this complex problem was framed with implicit and/or explicit reference to: (a) the growing strength of the West German Federal Republic in international affairs as reflected in the long note exchange between the Western Powers and the USSR culminating in the Berlin Conference last January and February; and (b) to the increased economic and political stability and potential military power of the Federal Republic as reflected in the results of the federal elections in West Germany last September when the communist-neutralist parties suffered resounding defeats.

The connecting links between these interrelated problems and the interrelated answers, from the SED's point of view, were given in two previously evident trends: strengthen the German Democratic Republic, and try to build (or rebuild) a platform for political action in West Germany. For the present, both of these policies have a decided defensive connotation. The "revolutionary" ring to SED policies has been replaced by the concept of building socialism in one part of Germany which will have "magnetic" power rather than "explosive" potentialities. Considering the pressing domestic economic problems facing the East German regime, which have been made more difficult by the June uprisings and the errors of the past, and given the renewed communist theory of impending politico-economic crises in the West, this apparent decision to build up the East German base of operations is both logical and necessary.

SED Policy Framework

Seen in the context outlined above, the January 30 Memorandum of the GDR government on German unity, [6] the March 25 statement on the "sovereignty" of the GDR, [7] and the April 6 "manifesto" of the Party Congress entitled the "Way to Solve the Problems of the German Nation" [8] form a "trilogy" of policy within which the SED and GDR can pursue the following tactical objectives: to delay or prevent remilitarization of West Germany, to increase the status and usefulness of the GDR state, and to exploit

---

[5] For documentation concerning the Second SED Conference, see Documents 702–704.

[6] See footnote 2, Document 396.

[7] See footnote 2, Document 766.

[8] The text of the "manifesto" under reference is printed in *Dokumente der SED*, vol. V, p. 74. The new statute of the SED, also prepared for and approved by the Fourth SED Congress, is printed on p. 90 of the same volume.

or capitalize on the German unity motivation if possible by setting up unofficial unity of action with social democrats and workers in West Germany. All of the points in the "trilogy" were underlined during the Fourth Party Congress, and the "manifesto" was adopted by the Congress. They, together with the boast that the SED has fully rehabilitated itself since June and reestablished the hegemony of the "party of the working class" in the now proclaimed East German "workers and farmers state", comprise the offensive, albeit future offensive, and optimistic side of the SED's analysis of the current political situation.

Internal Political Action Program

The Party Congress was used as a forum to reiterate and propagandize the optimism and internal solidarity of the SED and to impress East Germans that the party means business in carrying out its policies. To prove its earnestness and dedication, the SED focused great attention on itself and openly discussed the failures and weaknesses of the past and its own shortcomings. In the process, it revealed its major political problem, to narrow the large gap between the regime and the populace, and its most pressing economic problems, to get more better-quality and cheaper production of agricultural products and consumer goods.

These immediate political and economic problems were purposefully interwoven by both Walter Ulbricht, First Secretary of the Central Committee, in his report of the Central Committee to the Congress, and by Otto Grotewohl, Minister President of the East German Government.

Ulbricht's principal contribution was to tie together the new GDR "sovereignty" with the German unity issue. He tried to show that strengthening the GDR (sovereignty) brings unity closer by setting up a co-equal GDR which the Federal Republic must recognize and with which it must negotiate German unity and/or seek "normalization" of life in Germany. Therefore, since the East German populace ardently want unity, they must support the GDR. It remains to be seen whether this argumentation will stand close scrutiny by the people.

Grotewohl, in a surprisingly frank comment on Ulbricht's report, said that propaganda alone would not solve the problem of "getting closer to the masses". It must be backed by action. The required action is the improvement of the living standards of the people. He called for an all-out effort to effectuate the New Course, to produce and distribute the material goods which would provide visible proof of the party's correct policies.

Neither these top leaders in the party and the government nor any of the other major speakers revealed new material incentives

or plans to improve immediately the economic picture or to enlist the support and cooperation of the people. Rather, they implied that the party and state are secure and can compel compliance with the demands for more work and frugality and better organization. Ulbricht admitted that production of goods in the sum of one billion DM(E) over and above the current plan for 1954 was required if there is to be a price reduction before the end of the year. He said the abolition of rationing this summer, as originally "promised" in September 1953, would not be effectuated since it would increase the cost of living by raising prices. He announced that the Central Committee would prepare the framework for a second Five-Year Plan next autumn. The new Five-Year Plan is to provide for the proper balance in the economy by stressing power, brown coal, agricultural and chemical production and providing for rebuilding of destroyed urban areas.

The other most important announcements for strengthening the GDR and binding the masses closer to the regime were political in nature:

The National Front is to conduct a plebiscite on the subject: "For a peace treaty and withdrawal of occupation forces—or EDC and General Agreement and continued occupation for 50 years."

There will be new single list elections for the Volkskammer (national parliament) next autumn to establish if the populace supports the domestic and foreign policies of the GDR and its program for German unity. (The elections were due this autumn under the GDR constitution).

The community governments (under 10,000) will be reformed and democratized according to the same procedure by which the district (Bezirk) and county (Kreis) units were reorganized in July 1952. This means that power in the community will be centralized in the hands of the local mayor and the community legislative organ will be subordinate to the mayor and his council. The move can be made under the current authority held by the Council of Ministers. It will be part of the SED's efforts to strengthen its political position in rural and agricultural areas.

For the Assistant High Commissioner:
N. SPENCER BARNES
Chief
Eastern Affairs Division

No. 772

762B.00/5-354: Despatch

The Director of the Berlin Element, HICOG (Parkman) to the Department of State

CONFIDENTIAL BERLIN, May 3, 1954.

No. 823

Ref: Berlin D-789 of April 21, 1954 [1]

Subject: Fourth Party Congress of the SED: Topic C—The Treatment of the Problem of Defense and Internal Security by the Party Congress

Summary and Conclusions

One of the most vital questions facing the East German Communist Party since the June uprisings has been the problem of defense and security forces and long-term stabilization. This has required a public relations decision on the method to be used in publicizing the strength and activities of security forces and a decision on the employment of security forces in a manner which promoted stability but did not provoke dangerous reactions from the populace. The Fourth Party Congress of the SED revealed that the policy of the regime is to continue to soft-pedal the *de facto* military forces (KVP) in public statements and propaganda especially where these may be noticed abroad or in West Germany. There appear to be several more reasons (listed below) for this policy than heretofore. The policy and the reasons are consistent with the dual communist policies of building the strength of the East German state and of trying to attract West German workers by holding up the GDR as an example of socialism in practice.

The SED recognizes that it faces major obstacles among the populace which must be overcome before it will be able to solve internal security problems. It correctly sees that these obstacles are closely linked to the broader question of the allegiance of the people to the GDR state and the need to convince the people of the correctness of SED policies. However, it obviously intends to crush internal opposition, justifying the actions of security forces on the basis of "external danger" and the "provocations of enemy agents".

The Congress revealed no plan or measures designed to eliminate the "havens of safety" in West Berlin and West Germany from which, it was alleged, "arsonists, murderers and other criminal elements" launch their attacks on the "democratic" East German regime. In the light of SED's recognition of internal opposition but

[1] *Supra.*

its failure to reveal measures against the base of agent activity which it continues to link to internal opposition, it is clear that: (1) the SED is being restrained by higher policy considerations from moving against Berlin, and (2) the SED does not really take its own linking of internal opposition and alleged provocations inspired from outside as seriously as it did six months ago. Therefore, unless the party and the government can narrow the gap between the regime and the people, long-term stability is questionable and continued emphasis on systematic repression is probable. In the final analysis, this requirement makes the communist position in East Germany uncomfortable and unsteady and tends to assure the permanent hostility of the populace for the regime.

Public Relations and Communist Policy as Indicated by the Treatment of Security Forces at the Congress

One of the most vital questions facing the East German Communist Party (SED) and the East German government (GDR) since the June uprisings has been the problem of internal security and long-term stabilization. This problem cuts across many parts of the party and government apparatus but it is the particular responsibility of the Party Control Commissions; * the Ministry of the Interior and its subordinate agency, the State Secretariat for State Security; and the Ministry for Justice.

In view of the obvious significance of internal security, it was to be expected that this problem would receive major attention at the Fourth SED Party Congress. While there was abundant mention of the need for "watchfulness" against foreign and domestic enemies, and it cannot be said that security was neglected, there was a noticeable soft-pedaling of the usual sharp language and retaliatory threats which have marked previous party assemblies and the speeches of top leaders like Ulbricht. The following points may explain the principal reasons for this development:

1. The party leaders wish to convey the impression that the regime is stable and confident that it can cope with threats to its security. The frequent boasts of the strength and determination of the state apparatus and the manifold reiteration of the dominating role of the SED in the GDR and as "the strongest party in Germany" support this conclusion.
2. The party leaders, fully aware of the Soviet peace offensive and its objectives in Europe, do not want to weaken the general communist propaganda line by needless emphasis on East German military developments or East German reactions in advance of effectuation of plans for West German remilitarization. The single

* See Berlin/EAD tel to Bonn 1157, rptd Dept 999, for the highlights of the report of Hermann Matern, Chairman of the Central Party Control Commission. [Footnote in the source text. The telegram under reference is in file 762B.00/4–154.]

reference to the East German reaction to the latter possibility was a short remark by Ulbricht, who said, "If the formation of a West German mercenary army should be accomplished, we will, of course, be compelled to put the question of the defense of the Republic before the working class and the farmers of the GDR."

3. In line with the policy of making the GDR a "magnet" to attract West German workers and social democrats (refer Berlin D-789 of April 21, 1954), the SED does not wish to stress the police state aspects of the GDR nor does it wish to call attention to its substantial military and police formations while it strives to expose the danger of West German militarism and to capitalize on the traditional German differentiation between "the police" and "the army".

4. There is good evidence that the party functionaries themselves are concerned about the growing prominence and cost of the security forces. From the published party criticism leveled at former Minister for State Security Wilhelm Zaisser, who was excluded from the party in January, it is evident that there is considerable concern in the top leadership of the SED, and perhaps in the second and third echelons, for the loyalty to the party of the military and police forces. Revealing and concrete evidence of this concern was reflected in the speeches of Interior Minister Willi Stoph and Security Secretary Ernst Wollweber. Both men made the point several times that the party and state can trust and rely upon the military, the police, and secret police. Both emphasized that reliable and proven party comrades occupy key positions in the structures of the security forces. In a pledge of loyalty Stoph said, for example, "The current high degree of training and the successful solution of assigned tasks in the *Volkspolizei* could only be achieved through the direct leadership, support, and criticism by the Politburo of our party and the leading organs of the party in the Bezirke and Kreise. The consciousness of our *Volkspolizei* is increasing daily that they are working for their own class, for the workers."

5. A contributing factor to the impression that there was less than usual emphasis on the security forces during a party assembly was the unfolding of the principle of collective leadership. Thus the previously normal coverage of this topic by the most prominent SED spokesmen, such as Ulbricht, Grotewohl and Pieck, whose remarks always receive greater attention from observers, did not occur but was assigned to persons of lesser prominence like Stoph and Wollweber.

Internal Security Problems as Revealed at the Congress

In addition to the insights provided by the methods and tone of the treatment of the topic of security forces during the Fourth SED Party Congress, the speeches by Willi Stoph and Ernst Wollweber give a clearer picture of the current security problems faced by the SED and the GDR regime and their capabilities and plans for meeting the problems.

The Nature of Opposition to the Regime

Stoph said, "Not all workers are aware of the basic changes accomplished in our part of Germany. Many are not convinced that the ruling class in West Germany follows a policy of war which stands in contradiction to the interests of the working people, because the militarists and warmongers cover their chauvinist, Revanchist policies with speeches on 'freedom' and 'defense'. We must also be aware that many workers, who sense the enemy character of the capitalist state system, have brought over to our democratic state organs their old conduct toward the capitalist state. An example of this is the opinion still held in the populace: 'Police are Police!' or 'Justice is Justice'.

"Capitalist ideology, which has been drilled into the working class for decades by every means, and the falsification of Marxism, with regard to the class character of the state, which has been effectuated inside the working class through social democracy, can only be overcome by steady and continuous enlightenment."

Capabilities of the Government Apparatus

Stoph said great progress had been made in strengthening and consolidating the state power apparatus since the Third Party Congress in July 1950. He listed the following points: (1) There has been a positive change in the cadre structure in the state apparatus away from the bourgeoisie and toward an overwhelming working class domination. Today 78 per cent of city mayors and 71 per cent of the small community mayors are from the working class. (2) There has been a political strengthening in the state apparatus due to class changes in its structure. This is proved by the general reliability of government employees on June 17.

Speaking of the weaknesses in the state apparatus, Stoph listed five major areas for improvement: (1) The technical and political competency of leading government employees is low. Only 13.8 per cent of current employees of the national government and 7.2 per cent of local government employees have attended an administrative school. (2) There is a general lack of knowledge of laws and ordinances among government employees and a serious deficiency in effectuation of laws. (3) The turnover in personnel in government agencies is too high, reaching 50 per cent per annum in some offices. Frequently false information or hesitancy to make decisions results from this deficiency. (4) Watchfulness must be increased against agents and sabotage and against "enemies of the democratic order" who have penetrated the government apparatus. (5) The quality of work must be improved by stressing personal responsibility and collective consideration of problems.

The Security Organs of the State

In his general remarks on the military, the police, and the state security forces of the GDR, Stoph made the following points: (1) In more than any other branch of the state apparatus, the influence of the working class in the police organs is secured and will be further developed. Over 90 per cent of the members of the State Security Service (SSD) (Staatssicherheitsorgane) are from the working class. (2) The SSD has improved since June 17 and has dealt harsh blows to imperialist and militarist organizations operating in the GDR from West Germany and West Berlin. (3) In the difficult days around June 17, all branches of the military forces (Kasernierte *Volkspolizei*) (KVP) performed their duties faithfully, with few exceptions. Over 80 per cent of the officers of the police are from the working class. (4) A high state of readiness is required in the military forces due to the militarization and chauvinism in West Germany. A large number of members and candidates of the SED and members of the Free German Youth (FDJ) (youth mass organization) have mastered the necessary technical qualifications and become (KVP) officers. (5) "It should not be overlooked that service in the military forces is a great school for the young people who have volunteered. This also approaches the problem of training in the spirit of Marxism-Leninism and is of great significance." (6) "The officers, non-commissioned officers and enlisted men of the military forces (KVP) are constantly deepening the friendship to the people of the USSR and especially the victorious Soviet Army which is an example for the armed forces of all liberated peoples."

The State Security Service

After stating that the elimination of Zaisser had improved the work of the SSD, Ernst Wollweber stressed that members of the SSD are filled with "revolutionary spirit" which enables them to recognize and track down agents and enemies and which assures their attachment and faithfulness to the SED.

Reviewing developments since June 17, Wollweber said: (1) It has been made clear to the workers, who did not recognize it previously, that the events of June were a fascist *Putsch*. The workers condemn the provocateurs. The party and state have been strengthened. The influence of "enemy centers" has been reduced. (2) The power organs of the state, freed of the false political leadership of Zaisser, have become more capable. Therefore, the plans and intentions of enemy centers to begin a new provocation during the Berlin Conference of Foreign Ministers could not be effectuated by them.

Referring to the "various criminal organizations" in West Germany and West Berlin, Wollweber said all these agencies were

active in preparing for the June uprisings. The only counter measure to eliminate these agencies which Wollweber proposed was: "The current haven in West Berlin and West Germany (for these agencies) is a scandal, and I think our comrades in West Germany can and will help to clarify for the honorable persons in our West German homeland the scandalous protection for arsonists, murderers, poisoners and similar types."

In justifying and explaining the great publicity given to exposés of agents and show trials since last August, Wollweber said that when the uncovering of enemy agents has proceeded to a certain point, secrecy is no longer necessary and the workers must be told what is at stake and shown that their work, health, lives and accomplishments are endangered. "I think it was proper that we have gone into the factories and, in a number of instances, have explained (this) to the people through the press and radio when the investigations were largely completed."

The Auxiliary Police Elements

After speaking about the regular police, Stoph referred to the Sector Deputies (Abschnittsbevollmaechtigte)† and the Voluntary Helpers of the Police‡ as important elements in the internal security apparatus. Both these elements are made up of approximately 90 per cent working class or working farmer personnel.

For the Future

Stoph told the Party Congress that "the task of our security forces in 1954 is the strengthening and firming up of their ranks and the constant improvement of functional and political work . . . . " He said discipline, patriotism and morale would be raised. He made it clear that the security forces are subordinate to the SED party and would follow party directives.

For the Assistant High Commissioner:
THOMAS W. MCELHINEY

---

† Refer to Berlin D–687 of Feb. 18, 1953, for a description of the functions of the Sector Deputies. [Footnote in the source text. Despatch 687 is in file 762B.00/2-1853.]

‡ Refer to Berlin D–301 of Oct. 13, 1952, for a description of the functions of the Voluntary Helpers. [Footnote in the source text. Despatch 301 is in file 762B.55 10-1352.]

No. 773

762B.00/5–1754: Despatch

The Acting Chief of the Eastern Affairs Division, Berlin Element, HICOG (McElhiney) to the Department of State [1]

CONFIDENTIAL BERLIN, May 17, 1954.

No. 866

Ref: Berlin despatch 789 of April 21, 1954. [2]

Subject: Fourth Party Congress of the SED: Topic B—New Party Statutes and Ways to Improve the SED as a Mechanism of International Communism

Summary and Conclusions

The Fourth Party Congress of the East German Communist Party (SED), which met in East Berlin March 30–April 6, 1954, discussed and approved new party statutes designed to contribute to the further development of the party along the precharted course of the Soviet prototype and to make the party a better mechanism for communist tactics in Germany. In addition to the texts of the new and old statutes, the remarks of Karl Schirdewan provide a good basis for examining the intentions behind the revision of the statutes. The following points stand out:

1. The SED has made some progress since July 1950. It has become a party of the "new type". The amalgamation of the Social Democrats (SPD) and Communists (KPD) has been declared completed. Its dominant position in East Germany is a fact. Its relative importance as an instrument of Soviet power has been increased.

2. Having achieved a hold on the East German state and its government, the SED must now consolidate its position in this state. For public consumption, this effort is called "strengthening the GDR state". This problem complex will receive top priority, as already indicated by the Second Party Conference in July 1952, but it has become even more urgent in view of developments in West Germany (called militarism) and the wide divergence between the objectives of the party and the wishes of the populace as revealed by the June uprisings.

3. In consolidating its position in East Germany, the SED faces the same chronic problems it has faced in achieving its dominant role: perennial weakness in rural areas, identification with the USSR and its exploitation of East Germany, great difficulties in convincing the workers that the political objectives of the party are necessary or desirable and that they should participate in the

[1] In addition to the summary and conclusions presented here, despatch 866 consisted of a seven-page description of the major elements of the SED statutes which emerged from the Fourth Party Congress and an enclosure presenting vital statistics on the SED.

[2] Document 771.

SED's programs, and direct exposure of the SED activities from West Berlin and West Germany.

4. Internally, the party has been deeply shaken by the June uprisings and the Herrnstadt-Zaisser affair coming on top of the sudden shift to the New Course. Although Ulbricht and Schirdewan have succeeded in reorganizing the structure of the party and in putting in new persons loyal to them in the middle and top echelons of the party, the lower echelons and the rank and file are honeycombed with unconvinced or oppositional individuals. These persons are too numerous to be purged. The centralized leadership, stronger than heretofore, will use organizational, schooling and inducement methods to increase its basic support before it resorts to harsher methods and before it risks a purge. In the interim, gradual exclusion of "unreliables" (agents, proponents of social democracy, etc.) and "passive" members will continue. By the next party congress, which should come in 1958, the Ulbricht-Schirdewan leadership hopes to complete a broad transformation in the SED in which old or dead wood will be eliminated and the carefully trained, indoctrinated individual who has come up through the ranks of the youth organization (FDJ) and the party Aktivs will become the most prominent element in the party.

5. In the current phase of its own development and in view of the situation in West Germany, where communist organizations are weak, the SED is not capable of exerting an important political influence in West Germany among social democratic or trade union groups as it claims. Rather, this must be presumed to be, at least for the present, a cover for SED strategy, which is directed at a permanent split in Germany and at preventing further growth of West German strength, particularly military strength.

[McElhiney]

No. 774

OCB files, lot 62 D 430, "Germany I"

Staff Study Prepared in the Department of State [1]

SECRET WASHINGTON, June 14, 1954.

HICOG's Recommendations for U.S. Support of East Zone Projects

THE PROBLEM

To determine whether HICOG's recommendations [2] for U.S. support of programs designed to encourage and strengthen residents of East Germany during the second half of 1954 should be approved.

HICOG'S PROPOSALS

The High Commission for Germany has recommended for favorable action a threefold program of aid, welfare, and educational assistance for East Zone residents during the second half of 1954. These projects will cost approximately $2,850,000. They are designed to further the policy set forth in paragraph 8-d of the NSC 5404/1, [3] which calls for continuing funds for special projects designed to influence the people of the Soviet Zone and Sector. The projects have been selected after careful screening as to their probable effectiveness in furthering that policy, and as to their administrative feasibility.

These projects have been studied over a six-month period. Some of them were presented and discussed in the OCB working group on PSB D-21 [4] late in 1953. No positive recommendation was made to the Board at that time, because it was judged inadvisable to act in this field immediately prior to the Berlin Conference. However, HICOG was asked to continue its studies and told that consideration would be given to their recommendations without delay.

---

[1] Transmitted to the OCB for its consideration under a covering memorandum by Staats, June 16. After the Board Assistants had considered the study, a joint memorandum by the Department of Defense, the Bureau of the Budget, and the FOA was submitted on June 22 to the OCB which then approved the proposal at its meeting on June 23. Stassen informed the President of the approval in a memorandum of June 30, and the President issued his approval for the commitment of funds on the same day. (862B.49/7-154)

[2] HICOG's recommendations, which were formulated after lengthy consultations with authorities of the Federal Republic, were transmitted in telegram 3776 from Bonn, June 4, 1954. (862B.49/6-454)

[3] Document 600.

[4] Document 156.

The recommendations are the result of searching study of the German Government's proposals and have been fully coordinated in HICOG.

Because there are signs that measures now being taken are not sufficient to maintain morale, and because the need increases as the sense of separation from the West grows, it is believed that prompt action to put these projects into operation is desirable.

The funds, which would be made available under the projects, would be administered by the Federal Republic under arrangements and controls agreed by HICOG and approved in Washington.

These projects include:

a) further support and expansion of the package program.
b) aid to East Zone residents coming to West Berlin and West Germany.
c) assistance to educational and recreational activities designed to strengthen the courage of East Zone residents.

Financing of these projects calls for a special action in that no funds appropriated directly for this purpose are available. In view of this fact it is suggested that the same procedure might be adopted as was used to support the food program for East Germany in 1953—i.e., the transfer of funds appropriated under the Mutual Defense Assistance Act. Section 513-b of that Act gives the President authority to make limited transfers of funds between titles and between military and economic aid.

The urgency which has been attributed to these projects, and the limited funds needed to carry them out, are believed to warrant the transfer of funds already programmed for other purposes. If these projects are not approved, it is unlikely that other proposals acceptable to the German authorities and HICOG will be forthcoming.

DISCUSSION

The projects recommended are designed to build up morale of East Zone residents in their fight against Communism. They are calculated to maintain their vigorous resistance to the police state so that now, as after June 17, the Soviets will continue to be aware of the German opposition to any aggressive action through German territory. They will probably be forced to shift their policy to some extent and soften, rather than toughen, their oppressive occupation.

These programs are based on practical experience with the food package and other German programs gained over a period of more than one year. Since the Germans are already financing projects of these or similar types estimated to total several million DMs each

month (exclusive of the labor services), a contribution of $3 million for six months would represent a minor portion of the total, a sum which is consistent with, but scarcely more than the minimum indicated by NSC 5404/1. This paper in its instructions as to aid clearly recommends active financial participation by this Government in those projects.

These projects are the result of careful study since the food projects in 1954 demonstrated in such dramatic fashion the sense of need for contacts and encouragement from the West.

The food package program will continue to operate through channels not openly associated with the U.S., and will exploit these channels more fully.

The other two programs, involving the bulk of the contemplated U.S. expenditures, depend on and take advantage of the considerable interzonal and intersector travel which still continues. While it is not clear how long this travel can be held at present levels, it is believed that if restrictions multiply, more intensive efforts to help those who continue to come will be needed. For this reason, the approved program should be kept as flexible as possible.

It is clear that the channels for aid are still open. Thousands of religious and lay workers, labor leaders, teachers, and businessmen maintain contacts in the East. With additional support from United States sources, their efforts will be enlarged and strengthened. Their message will carry the support of the United States for these oppressed people.

It must be understood that there can be no Government-inspired publicity. Insofar as information is given out on some phases of the program, the United States part can be acknowledged. It is widely known, however, in East and West Germany that this Government is anxious to demonstrate its understanding of the problem and its awareness of the importance of these brave people to German unification.

Most of the projects will be carried out through existing German channels. Some of the items distributed may be of U.S. origin and recognized as such, others will be German substitutes but known to many as U.S. financed.

The projects described are:

a) further aid to the package program which broadens it to include not only food and medicines, but also textiles and clothing. Of the original $15 million allocated in the summer of 1953 to support the food program, less than $700,000 remains at present.

Amount requested: $400,000.

b) encouragement of visits by East Zoners to the Federal Republic and West Berlin and support to German agencies working with such persons.

Amount requested: $2,200,000.

c) education and recreational service to be held in the democratic and pro-Western orientation of those under Communist oppression.

Amount requested: $250,000.

The schedule of expenditures is based on estimates for six months to provide for adjustment and changes with changing opportunities. This manner of releasing funds will provide for additional checks based on reports to be agreed between HICOG and the German authorities.

It is expected that further administrative study may lead to modifications within the framework of the aims and methods here recommended. HICOG's judgment as to the needs, and the way they can at least in part be met at this time, is now clear.

THE PROJECTS IN DETAIL

A. The Package Program

A request has been made for the package program for $400,000 to procure textiles and clothing.

The Germans have been distributing two to four million packages a month to individual recipients in the past year. The United States has contributed to these packages since October, although this assistance has been on a covert basis to assure that GDR authorities would not cite U.S. support as cause for interfering with the program.

Although the original $15 million for the food program have been almost completely obligated (less than $700,000 remaining), there are stocks of U.S.-financed food in Germany which have not yet been distributed, and which will continue to support the food package program. Textiles and clothing would require additional funds.

It is proposed that this program should continue to have U.S. support in food and medicines and that the program should be expanded to include yard goods and articles of clothing.

The Germans will continue to bear the major part of the costs and the service charges. The number of packages cannot safely be increased by any substantial amount, but the contents can be made to fit more nearly urgent present needs. The package wrapping groups have more than doubled and include trade unions, welfare associations and religious organizations.

By the end of February 1954, 280,928 packages valued at DM 4,104,000 had been mailed as direct obligations against the U.S. contribution. While this represents only a part of the total program, the U.S. contribution has generated benefits far beyond this numerical scope. It has stimulated the population of the Federal

Republic to aid the East Zone, enabling people in West Germany hitherto unable to contribute to the program to participate. It has nurtured anti-Communist sentiment on both sides of the curtain between East and West Germany. Above all, it has helped people who merit U.S. help. One of the main classes of East Zone recipients has been the East Zone political prisoner, who depends on these parcels for his very subsistence.

B. Encouragement of Visits and Support of Visitors

A total of $2,200,000 is requested to encourage the visits by East Zone residents and to give them some measure of support during their visits.

The aid would include:

a) contributions to West German organizations which assist East Zone residents.
b) funds to defray the costs of return travel.

It has been generally recognized that the trips to Berlin to pick up food packages were not only inspired by hunger, but even more perhaps by the wish to maintain contacts with the free world. It is believed that financial aid to those who have the courage or the excuse to come will accomplish much of the same result as the stimulating experiences of last year. The dangers to the individual of such a program would, however, be infinitely less. This program is made easier by relative ease of interzonal travel.

The $2,200,000 would be a subsidy and aid to agencies and groups already carrying out some of these aims.

Approximately $2,000,000 would defray the costs of return travel to homes in East Germany. The funds would be distributed through West German governmental authorities to an estimated total of 300,000 visitors with an average one-way fare of DM 30 West.

The Federal Republic Ministry of All-German Affairs has estimated that West German relatives and hosts during the last six months of 1953 paid over DM 120 million from their own pockets to finance visits and return trips of some 1,350,000 East Zone visitors. Individual visits by East Zoners during the first months of 1954 have been declining sharply, and the Federal Ministry believes that the cost of the return travel tickets is the most critical factor limiting these trips. The political advantages accruing from the visits of East Germans to relatives and friends in West Germany are of tremendous potential, and the sum requested may well be the proverbial small key which opens a large door.

A sum of $200,000 is requested for the purpose of facilitating the participation of East Zoners in conferences held in the Federal Republic and West Berlin. The money would be made available through the Ministry of All-German Affairs to such appropriate

West German groups as youth, religious, trade union, and welfare organizations, whose meetings and Congress provide a unique opportunity for the intellectual and ideological encouragement of visiting East Germans.

C. Educational and Youth Assistance

HICOG agrees with the German authorities that there are still considerable opportunities of reaching East German youth with democratic education and ideas from the free world. A request is made for $250,000 for this purpose. Of this figure, $200,000 would be designated to support and create facilities in the Federal Republic and West Berlin where East Zone youths can associate with the youth of the Federal Republic. The typical facility is the youth camp designated to attract vacationing East Zone youth and where youth from East and West together can enjoy recreation and the exchange of ideas. In this connection, West German authorities are considering construction at a new summer camp at Berlin-Wannsee.

The amount of $50,000 is requested for establishing Ernst Reuter memorial scholarships at the Free University of Berlin. These scholarships would be awarded to worthy East Zone students, who could then join 4,000 other East German students already studying in the free institutions in West Berlin. The funds requested would be used over a period of several years.

No. 775

Editorial Note

In late July 1954, heavy rains caused flooding along rivers in the German Democratic Republic as well as in Czechoslovakia, Austria, Hungary, the Federal Republic of Germany, and Yugoslavia. On July 29, President Eisenhower made a statement offering assistance to flood victims in all of the affected areas. In a letter of July 30, to Soviet High Commissioner Pushkin, Conant pursued this offer by extending it specifically to the German Democratic Republic. On August 5, Pushkin replied by a letter in which he enclosed the acceptance of this offer by Grotewohl on behalf of the German Democratic Republic. Conant acknowledged this acceptance on August 6, recommending that the Red Cross be entrusted with administering the relief. President Eisenhower's July 29 statement is printed in Department of State *Bulletin*, August 9, 1954, page 197; Conant's letter of July 30 and Pushkin's response of August 5 are *ibid.*, August 16, 1954, page 240; Conant's acknowledgment is *ibid.*,

August 23, 1954, page 271. The first relief shipment arrived in the German Democratic Republic on December 3.

No. 776

762B.00/8-3154: Telegram

The Director of the Berlin Element, HICOG (Parkman) to the Office of the United States High Commissioner for Germany, at Bonn [1]

SECRET BERLIN, August 31, 1954—8 p.m.

186. From EAD. Believe public morale in Sov Zone has reached new low in decline which set in after Berlin Conf, although basic antagonism toward regime remains. Decline due mainly to disillusionment regarding prospects for removal of GDR regime following high hopes raised by June 1953 uprisings and to disappointment at what East Zoners consider to be indications of weakness on part of Western Powers. Contributing factor is confusion and uncertainty as to what they can do to help themselves against Communist rulers.

Failure of Berlin Conf to achieve any amelioration finished off era of expectation in same way as morale waned from high point reached during and immediately following June 17 riots. Public spirits in east seem to have dropped further with succession of unfavorable developments: defeat in Indochina, outcome of Geneva Conf, Otto John and Schmidt-Wittmack [2] cases, outcome of Brussels Conf, and dim prospects for EDC—EDC had been popular in East Ger as a way to increase Western Power and hence improve chances of liberation.

With growing pessimism re prospects for liberation we see indications of trend toward gradual resignation and some mellowing of outward resistance. For example observers agree there are practically no slow-down or work-obstruction movements taking place in East Zone factories, there are fewer visitors to overt anti-Communist organizations in West Berlin, and there is reluctance to take unnecessary risks for purpose of definance only. Seems unlikely, however, that tendency toward superficial conformity has yet gone or will go to point where Sovs would misjudge situation and believe they could afford to remove their troops unilaterally.

While far easier to point to situation than to propose how to counteract it, seems worthwhile to direct attention to it. Some bril-

---

[1] Repeated to Washington, Moscow, Paris, London, Warsaw, Budapest, Bucharest, Prague, and Vienna; the source text is the copy in Department of State files.

[2] Not further identified.

liant success or demonstration of western strength at expense of Communists would of course be optimum solution. Until this possible, perhaps best we can do is to use our propaganda capabilities to convince East Gers of our solidarity with them, emphasizing our understanding and moral support in their difficult time. [3] One of most effective ways of doing this is not only to try to obtain their support for our policies, but as far as possible to follow their lead and give our support to local policies and objectives which they consider desirable and feasible to pursue. For example, number East Zoners have suggested capitalizing more on errors admitted by officials in "self-criticism" accompanying election campaign preparatory for Oct 17. We should also hold out hope of eventual liberation, even though impossible to gauge at present precisely how or when this will come, rather than overstimulate the still existing illusion that we may forcibly unseat the Communist regime in near future.

PARKMAN

[3] In the margin adjacent to this and the following sentence was written the phrase: "Already being done."

No. 777

862B.49/9-1654: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State [1]

CONFIDENTIAL BONN, September 16, 1954—6 p.m.

788. For State and FOA. Flood Relief: East Zone. If East German phase flood relief program to achieve desired psychological impact, we suggest advisability reaching decision its composition and effecting shipment within shortest possible time. Whereas urgency needs still not considered such as to justify advances from local stocks and associated administrative complications, arrival United States contribution (or first installment thereof) in Rostock may lose significance in terms President's offer if unduly delayed. Ankarcrona, here again as league RCS advisor on Bavarian program, considers this point important as does his colleague Daubenton.

We appreciate picture Soviet Zone requirements has been unclear and undoubtedly less acute than other areas, but political and psychological aim of reaching Soviet Zone population through tangible program will presumably be paramount factor in Washington

[1] Repeated to Berlin, Geneva, Moscow, Budapest, Prague, and Belgrade.

decision. In view number countries which have accepted offer, if proposal formulate East Zone phase in framework approximately $1,000,000 per considerations paragraph 7 our telegram 650 September 2 (repeated Geneva 19, Berlin 118, Budapest 5, Prague 19, Moscow 15) [2] has merit, Washington may find it advisable reconsider $4,000,000 figure as tentative limit total program (see also accompanying cable regarding Bavarian phase).

Isolated conversations by HICOG Bonn and Berlin officers with Soviet Zone during visit Leipzig fair suggest league RCS estimates of needs resulting from flood, at least longer-term effects, may have been conservative. Persons apparently well informed but without obvious personal interest President's offer described crops as flattened during brief high-water period, which, combined with generally wet summer, expected cause considerable losses; expressed apprehension feed shortage this winter and possible forced slaughter. While we not in position evaluate these impressions, they may be of interest.

CONANT

[2]Telegram 650 recommended that flood relief commodities come directly from the United States rather than from the Berlin stockpile, and suggested that the original aid figure fell well below the expectations of the German Democratic Republic. (862B.49/9-254)

No. 778

762B.00/10-1654: Telegram

The Acting Director of the Berlin Element, HICOG (Knight) to the Office of the United States High Commissioner for Germany, at Bonn [1]

CONFIDENTIAL BERLIN, October 16, 1954—2 p.m.

281. From EAD. Since end of August we have been gradually getting pieces of info from German and American sources that Sov "advisors" have been installed in GDR functional ministries. We now have sufficient confirmation . . . to report following facts:

1. "Advisors" have been installed in GDR ministries for finance, railroads, agriculture, construction, and machine construction. They operate at ministry level and in two known cases down to main department echelon.

[1] Repeated to Washington, London, Paris, and Moscow; the source text is the copy in Department of State files.

2. "Advisors" are experts in their technical ability as far as can be judged now. Ministries have received average of three advisors each.

3. Interior Ministry and State Secretariat for State Security continue to have large number Soviet advisors as before.

4. There is no confirmed info that Soviet HICOM Bezirke representations, dissolved last June with reduction Soviet HICOM, have been given new titles and remain in Bezirke.

Establishment six Soviet Consulates (Erfurt, Leipzig, Karl-Marx-Stadt, Magdeburg, Rostock and Frankfurt/order) confirmed so far. They could serve as local govt control agency but we have no evidence.

Comment.

a) Above facts indicate form of Soviet control of East German Govt has shifted since Soviets granted sovereignty to GDR last March 25. Previously Soviets exercised supervision of Govt with large staff Soviet experts who did paper screening and made spot checks on Ministries from headquarters of Soviet HICOM in Berlin/Karlshorst. Apparently total size Soviet HICOM staff has been reduced. However, indirect supervision of Govt now replaced by actual participation Soviet experts in GDR Ministries. This could mean increased rather than decreased Soviet hold on GDR Govt.

b) Also possible Soviet advisors installed to assure stability and increase competence of GDR Govt. On basis currently available info, including analysis of competent GER experts, we believe SED Central Committee and Secretariat not well enough staffed with technicians, who are both politically reliable and competent, to exercise necessary controls and supervision over GDR Govt. This opinion would tend to support conclusion Soviet experts needed to keep Govt on tracks.

c) Whether a or b above actual Soviet motive, installation Soviet advisors indicates further trend toward GDR conformity with other satellites and toward further integration into Soviet Bloc.

We do not believe overt moves re *de jure* GDR integration into Sov Bloc likely yet due to: importance of German unity issue for Soviet political purposes, especially as influential playing card against effectuation West German integration into NATO; and to current effectiveness of Soviet peace offensive.

KNIGHT

No. 779

OCB files, lot 62 D 430, "Soviet Satellites, 1953–54"

Paper Prepared by the Working Group on NSC 174

TOP SECRET WASHINGTON, December 30, 1954.

1. East German Attitudes

a. General

The postwar circumstances in East Germany have acted to make the population politically unreliable from the Soviet viewpoint and to retard the achievement of Soviet objectives in this area. Opposition to the regime is based on anti-communism as such, a continuation of nationalist resentment against the occupying power, liberal opposition to socialization, a libertarian resentment of dictatorship and religious scruples. Only the last of these is represented overtly in an organized form; the Evangelical and Catholic churches, while in a difficult position, have on occasion forthrightly opposed the regime and privately struggle daily to retain predominance over communist education and influence. Another source of discontent is economic difficulties, including such items as shortages of materials needed in the industrial process, food and other consumer shortages, labor opposition as an economic factor, bureaucratic incompetence in planning and carrying out programs, a continuing low standard of living compared to prewar, and economic exploitation by the Soviet Union.

The popular support which the East German regime enjoys is limited almost entirely to its immediate functionaries in the SED (Socialist Unity Party) and a minority portion of the youth. Despite the regime's efforts to improve economic conditions, it is unlikely that any large part of the East German population can be won to support of the communist cause. The basic attitude of the East German population continues to be one of fear, resentment and hatred toward the Soviets, communism and the SED, and, conversely, one of support and sympathy for the objectives of the West, coupled with a desperate hope that some sort of liberation may eventually result. It is considered of some significance that every poll of East German public opinion conducted by HICOG has shown an even higher percentage than in West Germany in favor of the rearmament of the Federal Republic and integration with the West. In fact, any strengthening of the Western position vis-à-vis the USSR also strengthens those elements in East Germany which oppose the regime. The integration of West Germany with the West is interpreted by the population in this light and is, therefore, welcomed. This will continue to be true so long as integration

is not considered to exclude unification but rather to bring it about sooner. The favorable position of the West in East Germany, therefore, depends in large measure on the vigor with which it presses unification in conjunction with integration or in other ways maintains hope of eventual liberation.

b. Special Groups

(1) The SED: During the past year the East German Government has devoted a principal effort to restore the Party and the communist regime to power and security in the aftermath of the violent demonstrations of June 17, 1953. To this end the regular East German police, the secret police and the courts have all been employed, their actions being supported during crucial stages in the early phase by the Soviet army. Judicial terror was especially used with a considerable number of trials, both secret and public. In addition, purges took place throughout government and party agencies as well as in various mass organizations. Despite all of these efforts, there are some indications that the regime still does not feel completely secure. For example, a recent article for the *Cominform Journal*, written by an SED functionary, indicates from the language and from points made, that the SED still feels itself on the defensive in Germany. A more striking example is to be found in the excessive precautions which the regime instituted for the East German election on October 17. Not only was a single list of candidates presented but also the voter was prevented in effect from marking the ballot at all, thus eliminating opportunity to register opposition. In general, voting was practically compulsory, with many groups being marched to the polls where they were handed ballots and told to drop them in a box. Care was taken to avoid secret voting. This election was conducted in such a way as to make it the greatest sham yet among East German elections.

(2) The Police: Despite purges and recruitment largely on a voluntary basis, defections to the West from the police still average about 150 a month.

(3) Youth: The SED is believed to have had greater success in the indoctrination of youth than any other group. Nevertheless, the events of June 17 and the lack of enthusiasm evidenced at the Communist Youth Rally last June indicate that indoctrination is still far from complete effectiveness.

(4) Workers: Despite intensive party attention to the workers, they remain politically unreliable. The regime cannot forget that this group fomented the demonstrations of June 17 and that they have clandestine contacts with various Western organizations.

(5) Businessmen: The lot of the East German businessman has been alleviated by the new economic course inaugurated a year ago, but he has no illusions about the permanence of that course

and, in fact, feels that the government's attitude toward private enterprise is already hardening. A recent study indicates that he remains anti-communist with a tendency toward passive resistance.

(6) Farmers: There are more than 600,000 independent farmers in East Germany and they cultivate 70 percent of the arable land. The repressive agricultural policies with rigid controls have made the situation of these farmers both difficult and unrewarding with the result that the overwhelming majority are reported to harbor anti-regime sentiments. There is little evidence of organized or direct resistance from farmers, other than occasional acts of defiance by individuals, but their negative political attitude is a source of real concern to party and government officials.

(7) Armed Forces: East German ground and security forces, as presently organized and trained, are not considered independently capable of maintaining internal security, in large part because of the disaffection of the armed forces. Factors resulting in disaffection throughout the armed forces are:

—The general antipathy of the population for the regime, which is shared by the rank and file of military personnel.

—The wearing of the unpopular Soviet-style uniform, which attracts the hostility of the population.

—Lack of free time and excessive political indoctrination. There has been some relaxation of the pass and leave policy, but this, too, is still a general subject of complaint.

—Preferential treatment of officers, and the wide gulf which continues to separate enlisted and officer personnel.

—Complaints of poor food and accommodations, etc., although some improvement in this field has been noted in 1954.

In addition, certain groups are subject to special causes of resentment:

—Personnel subjected to high-pressure tactics amounting to virtual conscription during the rapid build-up of the armed forces in 1952.

—Non-coms subject to the authority of incompetent and insufficiently trained junior officers. This complaint is lessening with the turning out of better trained young officers from the KVP military schools.

—Officers, particularly those with prior service in the Wehrmacht, who resent the substitution of Soviet organization and training for traditional German methods and the presence and authority of Soviet advisors.

—Officers slated for training in the USSR.

—Air Force personnel who joined the service or transferred from the ground forces in the hope of training on modern equipment and find themselves confined to obsolete aircraft.

c. Present Mood [1]

Although the basic East German attitude remains one of antagonism to the regime, the indications are that morale has reached a new low. This decline stems from disillusionment regarding prospects for removing the regime following the hope raised at the time of the June 17 uprisings in 1953 and by lack of Western diplomatic successes. The failure of the Berlin Conference deflated wishful hopes and public spirits dropped further with a succession of unfavorable developments—defeat in Indo-China, results of the Geneva Conference, the Otto John and Schmidt-Wittmack cases, the outcome of the Brussels Conference and the failure of EDC ratification. (EDC had been popular in East Germany as a way to increase Western power and to improve chances of liberation.)

At the moment there is a tendency toward gradual resignation. For example, observers agree that there are practically no slowdown or work obstruction movements now taking place in East Zone factories. There are fewer visitors to overt anti-communist organizations in West Berlin and there is reluctance to take unnecessary risks for the purpose of defiance only. A new demonstration of Western strength, especially any at the direct expense of the communists, would alter the mood discussed above, however, Western agreement on a formula to rearm West Germany, and implementation thereof, will be of considerable assistance.

2. Other Possible Sources of Vulnerability

a. Friction Within the Regime

Since mistrust, suspicion and intense rivalry for personal power are almost endemic to any police state, a certain potential vulnerability is always possible. While differences as to the rate of implementation of the Party's basic program and personal power rivalries in the top leadership of the SED have been thought to exist for years, they have never erupted into a major difficulty. After the June 17 demonstrations, the first shake-up in three years of the communist high command took place with the expulsion of the Minister of Justice, the Minister for State Security and the editor of the Party's central press organ. [2] The immediate issue was the Party's attitude toward the demonstrators and the extent to which the "building of socialism" as modified by the "new course" should be compromised. The conflict was resolved in favor of those leaders, headed by the First Secretary Walter Ulbricht, who advocated a policy of no leniency and adjustments only in the economic sphere.

---

[1] For the references in the following paragraph, see telegram 186 from Berlin, Document 776, on which it was based.

[2] The references here, respectively, are to Max Fechner, Wilhelm Zaisser, and Rudolf Herrnstadt.

Whether or to what extent the SED's subservience to Moscow was a factor in the conflict cannot be judged with any certainty, but most of the disciplined party leaders have spent many years in the USSR. Their training and past political activities make it unlikely that they harbored any pro-Western tendencies. Moreover, the conditions which prevail in East Germany and the SED—complete dependence of a locally despised puppet regime on outside support from Moscow—rule out the emergence of Titoism.

b. East German Relations with USSR and Satellites.

The key communist leaders of the East German regime consider the interests of the USSR paramount. They are communists first and Germans second. Under these circumstances there are not likely to be any major policy differences between them and the Soviets. What frictions do exist are more likely to center on Soviet dissatisfaction with the East German regime's implementation of policy.

As executors of Soviet policy the East German leaders have to "sell" the Soviet program to the East German population. In attempting to obtain acceptance and fulfillment they may urge some modification of the program's terms, particularly in its economic aspects. This situation is a source of potential friction between the Soviets and the East German regime. To some extent, however, it will be offset by the reduction of Soviet acquisitions and more subtle methods of exploitation. On other than the top levels of Soviet control in East Germany, friction between functionaries of the regime and Soviet personnel will decrease as the size of the Soviet control establishment is reduced and Soviet control is exercised increasingly at the top level.

A possible long-range source of friction might be engendered by fear on the part of the Moscow-supported East German bureaucracy that they are in danger of being discarded in a deal with Bonn including free elections in the four zones of Germany. This seems so remote in terms of current Soviet intentions that it would not appear to be an operative factor at present.

In its relations with the other Soviet satellites in Europe, Soviet rather than national considerations are probably dominant. There are no known outstanding issues between the East Germans and other satellite regimes, with the possible exception of an SED admission of difficulty because of inability to meet obligations of trade agreements with the satellite states. This does not mean, of course, that the East Germans as a whole do not share the general German desire to regain the territories beyond the Oder-Neisse nor that they are any less antipathetic toward the Slavs than the West Germans. Nevertheless, the continuation in power of the present regime also means the absence of major difficulties with

the other regimes. The only strains which may develop are those resulting from competition for Soviet favor and pride of place within the orbit.

3. Unification of Germany

The ostensible policy objective of the Soviet Union has been the creation of a neutralist unified Germany and, more practically, to use the unification issue to defeat any plan of the West to integrate the Federal Republic into Western Europe or in any way bring about a German contribution to the Western power potential. At the same time the Soviet Union has taken steps toward building up an East German satellite state. In utilizing the German unification issue, the Soviet Union has been forced to accept certain basic handicaps:

a. The Soviets must take some account of the attitude of West Germany toward the pursuit of policy objectives in East Germany and the desire of both East and West Germans for reunification. The fact that East Germany is part of a divided country has long acted as a factor which retards the communization of the Soviet Zone. As a specific example, the Soviets have found it necessary to refrain from sealing the zonal borders, with a partially exceptional period in 1952, in order to try better to exploit the unification issue. The result has been to permit more influences from a Western area than is usually the case in the Soviet bloc.

b. Likewise, the Soviets have thus far had to endure the influence upon East Germans stemming from free Berlin. East Germany is unique among satellites in having at its center an area under Western control. The presence of Allied troops in Berlin and the strong public commitments of the Western Powers to protect the city prevent the Soviets from removing, by force, this center of Western influence, except at the risk of general war. This situation serves as a powerful deterrent to drastic Soviet action. In addition, because of the Soviet desire to use the unification issue for propaganda purposes, and for other political and economic reasons, the Soviets have been unwilling to seal off West Berlin from the Eastern part of the city. The result is that Germans from East Berlin and the Soviet Zone may enter and leave the free world with relatively little difficulty and compare life under a democratic system with that under communism. . . . The net effect of free Berlin's continued existence has been to stimulate the anti-regime attitude of the East Germans and to keep them chronically dissatisfied with their lot under communism.

c. Aside from the two basic conditions cited above—a country still incompletely severed and the forced toleration of free Berlin—which are partially caused by the unification question, Eastern Germany has some political vulnerability as a result of the rigid Soviet position on unification.

While the Soviets have sought for years to pose as the champions of unification and have devoted much propaganda to this end, it is apparent that past terms for reunification are unacceptable to the

Germans, including the East German population. Every Soviet proposition for unification, even though couched in general terms, has contained a built-in guarantee for the retention of communist influence, as well as being designed to remove Allied protection. The Soviet proposals at the Berlin Conference, providing, *inter alia*, for a provisional government, under partial communist control, were so weighted in favor of Soviet influence that no significant non-communist German group supported them. In fact, there was a strong tendency to conclude that the Soviet Union had no intention at that juncture of releasing its hold upon East Germany nor a serious desire to negotiate unification on generally acceptable terms. At various stages in postwar Germany, those West German groups which were most interested in unification, and the East Germans, have hoped that each Soviet gesture might indicate a serious intent to negotiate unification. These hopes have always been dashed, but in time wishful thinking is again regenerated. Accordingly, until the Soviets change their position on unification, they will retain an underlying political vulnerability on this issue vis-à-vis the East German population as a whole. It derives from the deep-seated East German feeling of resentment against alien domination which, though now largely dormant in terms of active defiance, is stubborn and durable.

4. Soviet Troops—The Vital Factor

The greatest obstacle which confronts any attempt to detach East Germany from the Soviet bloc is the presence of Soviet troops. These troops constitute the decisive factor in control of the area. Without them East Germany would be apt to detach itself from the Soviet orbit with little or no outside aid, although for sustained detachment the return of Soviet troops would have to be prevented by the Allies. The mass demonstrations throughout East Germany on June 17, 1953 indicated that, but for the intervention of Soviet troops, the communist regime would in all probability have been overthrown. Since then the evidence is that the East German Government continues to lack popular support.

The prime prerequisite for successful detachment then is the permanent removal of Soviet troops from East Germany. It is believed that there are two major developments which could conceivably bring about Soviet troop withdrawal (excluding ejection by Allied forces which is not considered):

a. The USSR could make a serious miscalculation and withdraw troops as a gesture, for example, as part of a diplomatic maneuver to induce a Four Power Conference for the purpose of preventing any contribution by the Federal Republic to the Western power potential and with the aim of promoting German unification on Soviet terms. This Soviet move would be based on the assumption

that the communist government in East Germany is sufficiently strong to preserve itself. Such an assumption would almost certainly be false at the present time or in the immediate future. . . . Although possible, it seems highly improbable that Soviet troops would be unilaterally withdrawn as outlined above. As a general rule the Soviets do not relinquish territory once controlled and are especially unlikely to do so in an area so unreliable from the Soviet viewpoint as East Germany.

b. The Allies could seek the withdrawal of Soviet troops through negotiations to reunify Germany. The best criterion available for judging what such an attempt would involve is the Soviet position at the Berlin Conference. The steps set forth by formal Soviet proposals at this Conference were essentially as follows:

(1) Formation of a provisional all-German Government, composed of representatives of the East and West German Governments (on a parity basis), whose tasks would include:

(a) Preparation and carrying out of all-German elections.
(b) Insuring free activity of democratic parties and organizations, and the banning of Fascist, militarist and other organizations hostile to democracy and the preservation of peace.
(c) Prevention of Germany from being drawn into any coalition or military alliances directed against any power whose armed forces participated in the war against Nazi Germany.

(2) Prior to the election, all occupation troops would be withdrawn except for limited contingents which would remain to carry out guard duties arising from the control responsibilities of the Four Powers, i.e., supervision of the steps cited in paragraph (1). In the event of a threat to security in either part of Germany during this period the Occupation Powers have the right to call in additional troops.

(3) A peace treaty would be signed which would provide *inter alia* for:

(a) Withdrawal of all occupation troops within one year after the treaty became effective and the simultaneous liquidation of all foreign military bases in Germany.
(b) Strict German neutrality.
(c) German armed forces limited in strength to internal requirements, local frontier defense, and anti-aircraft defense.

5. The Nature of the Soviet Proposals

These proposals are clearly designed to insure a large measure of Soviet control of the German situation. In addition, it is doubtful that the proposals can be taken at face value. The Communist Party, which does not even represent the one-third of the population which resides in the Soviet Zone, would be in control of half of the provisional all-German Government. Doubtless the Party would seek to acquire key ministries, especially the Interior Ministry which has the police power. The Communist Party would also have an equal voice vis-à-vis the combined total of all other parties in

formulating and carrying out an all-German election. Likewise the provision that all democratic parties and organizations be protected and all those of a Fascist, militarist, anti-democratic or anti-peace character be banned is open to communist interpretation and presumably intended for their utilization. Communist propaganda has long denounced most West German parties and organizations on one or more of the above counts. It should be noted that Soviet troop withdrawal would not be totally effected until within the year following the coming into force of a peace treaty. Throughout all of the difficult preliminary period of forming a provisional all-German Government, negotiating a peace treaty and holding all-German elections, limited numbers of Soviet troops would remain and these could be increased at any time the USSR wished to find a "threat to security in Germany." Any stage of the proceedings could, of course, be delayed for long periods by the Soviets and only after the coming into force of a peace treaty (i.e., when the Soviets were satisfied with all arrangements) would all Soviet troops be withdrawn. These Soviet terms for uniting Germany are considered to be so heavily weighted in favor of the Soviets as to be unacceptable and in fact are generally interpreted to mean that the Soviet Union has no intention of uniting the country or relinquishing the Soviet hold upon East Germany. This interpretation was further strengthened at the Berlin Conference when the Soviet Union proposed in conjunction with the settlement of the German problem that a General European Treaty on Collective Security in Europe be concluded. This security pact would embrace all the European states, and would include the East and West German governments until a German peace treaty was concluded. The terms of the Soviet proposal would entail the dissolution of NATO and the withdrawal of the U.S. from Europe.

6. Recent Soviet Proposal to Negotiate

On October 6, 1954, Molotov suggested in an oral statement in East Berlin that a new Four Power Conference be held on German reunification, that the Soviets were willing to discuss free elections, and that occupation troops should be withdrawn. It has yet to be demonstrated, however, that this statement indicates any real change since the Berlin Conference in the Soviet position on Germany.

7. Conclusions

a. At present there is little or no likelihood of Soviet troops being withdrawn from East Germany on terms acceptable to the United States. Under these circumstances there are no feasible means of detaching East Germany from the Soviet orbit at this time, except by general war.

b. There are weaknesses in the Soviet position in Germany which lend themselves to a degree of exploitation through various measures designed to preserve the affinity of the East German people with the West as well as their continued opposition to communism.

c. The continued Western sympathies of the East German people and their desire for reunification of an independent Germany will contribute to the eventual detachment of East Germany from Soviet control at some future time under unpredictable circumstances.

. . . . . .

AUSTRIA

INTEREST OF THE UNITED STATES IN THE REESTABLISHMENT OF AN INDEPENDENT AND DEMOCRATIC AUSTRIA [1]

EFFORTS TO RESUME NEGOTIATIONS WITH THE UNITED KINGDOM, FRANCE, AND THE SOVIET UNION CONCERNING AN AUSTRIAN TREATY; FOUR-POWER NEGOTIATIONS CONCERNING OCCUPATION COSTS IN AUSTRIA; CHANCELLOR FIGL'S VISIT TO WASHINGTON, MAY 12–16, 1952; SECRETARY OF STATE ACHESON'S VISIT TO VIENNA, JUNE 29–JULY 1, 1952; INTEREST OF THE UNITED STATES IN THE MAINTENANCE OF A TWO-PARTY COALITION FOLLOWING THE ELECTION OF FEBRUARY 22, 1953; POLICY OF THE UNITED STATES CONCERNING THE REDUCTION OF OCCUPATION FORCES IN AUSTRIA; FORMULATION OF NATIONAL SECURITY COUNCIL POLICY TOWARD AUSTRIA (NSC 164/1); CHANCELLOR RAAB'S VISIT TO WASHINGTON, NOVEMBER 21–25, 1954

No. 780

Editorial Note

Following discussions in Rome on November 22 and 27, 1951, Secretary of State Acheson, British Foreign Secretary Eden, and French Foreign Minister Schuman agreed, on behalf of their governments, that the Deputies for Austria of the Council of Foreign Ministers (CFM) should meet in London on January 21, 1952 to resume negotiations concerning the Austrian Treaty. As a result of this agreement, Samuel Reber, the United States Deputy for Austria, the chairman-designate of the next Deputy meeting, issued an invitation on December 28, 1951, through the Secretariat of the CFM, to the three Western powers and the Soviet Union, to attend a meeting in London on January 21. For documentation concerning the meetings in Rome and the conversations that followed relating to agreed negotiating tactics vis-à-vis the Soviets, see *Foreign Relations*, 1951, volume IV, Part 2, pages 1176 ff.

The Governments of the United States, the United Kingdom, and France immediately accepted the invitation and, in addition, agreed to schedule a preliminary meeting of the three Western

[1] Continued from *Foreign Relations*, 1951, vol. IV, Part 2, pp. 1009 ff.

Deputies in London on January 18. Documentation concerning this preliminary meeting is in file 663.001.

On January 18 the Soviet Chargé in the United Kingdom sent a letter to the Secretary General of the CFM in which the Soviet Government insisted that the Trieste question and the subject of demilitarization and denazification of Austria be placed on the agenda of the meeting. In a letter of January 19, the Secretary General replied that the issue of demilitarization and denazification should be discussed in the Allied Council for Austria, not in the Deputies meetings, and that the issue of Trieste had no relation to the Austrian Treaty. Two days later the Soviet Chargé informed the Secretary General that the communication of January 19 required further study and that the Soviet representative would not attend the meeting of the Deputies scheduled for January 21. For text of these three messages, see Department of State *Bulletin*, March 3, 1952, pages 326–327.

The three Western Deputies sent a note to the Soviet Embassy in London on January 24, 1952, in which they pointed out that the persistence of the Soviet Government "in its present attitude would inevitably lead to the conclusion that the Soviet government is deliberately seeking to obstruct the completion of the Austrian treaty". It also stated that the three Deputies still hoped that the Soviet representative would be able to attend a meeting at an early date and that the chairman remained ready to call a meeting of the Deputies as soon as it could be mutually agreed. For text of this note, see *ibid.*, February 4, 1952, page 160.

Documentation concerning the drafting of the above-mentioned notes to the Soviet Government, as well as negotiations concerning tripartite agreement on tactics to be used by the Western powers when dealing with the Soviets, is in file 663.001.

No. 781

763.0221/1-452: Telegram

The United States High Commissioner in Austria (Donnelly) to the Department of State [1]

SECRET VIENNA, January 4, 1952—8 p.m.

2217. In long HICOM meeting Jan 3 [2] on occupation costs chaired by US, with Caccia, Payart and Kraskevitch participating,

---

[1] Repeated to Paris and London.

[2] The minutes of the Allied Council meeting of Jan. 3 are in ALCO records, lot 62 F 6, "Allied Commission Minutes—1952".

Sovs proposed 4.45 percent of present Aust budget (19,700,000,000 schillings) or 219 million, explaining this no change from last year's percentage and therefore arguing it was no increase.

French proposed 220 million; Brit 200 million with escalator clause for upward revision in case of increased living costs during year. Following my expression of sincere dissappointment other 3 elements had not seen fit to reduce figure from sum received for 1951, Sov and French reduced their demands to coincide with Brit figure of 200 million. After reviewing acute economic situation in Austria, I pointed out keen interest of US Govt in facilitating, by all possible means, stabilization of Aust economy, recalled that US had, since beginning of occupation, brought into country $1,300,000,000 in various forms of aid and improvements and had renounced occupation costs for self. Also pointed out that US Govt was strict in assessing what costs could be classified as govt expenses in connection with occupation, adding that such items as servants, house rent, etc, are regarded as personal expenses of individual officers. Sov HICOM quickly pointed that there are no servants for Sov occupation forces. French and Brit made no comment.

I further indicated that obvious solution to problem of occ costs in signing of state treaty, which we hope for this year. With meeting deadlocked, I proposed further meeting of dep HICOMs to discuss details; this met with negative response. I then invited discussion of our respective detailed breakdowns of occupation costs, stating US willing compare figures with other elements. French and Sovs shied away from this proposal. Sovs then suggested another meeting of HICOMs following on Jan 11, [3] to which other elements agreed, although French most reluctantly. Meeting ended with reiteration of US insistence that 1952 costs not be increased over 1951.

Although Deptel 1649 Jan 2 [4] was received too late for discussion with Brit and Fr yesterday morning, Caccia, Payart and I discussed problem for hour following conclusion of quadripartite meeting. Fr rep reactions marked by frequent angry outbursts against Margar-

---

[3] In telegram 2289 from Vienna, Jan. 11, Donnelly summarized the results of the meeting on occupation costs that took place that day and noted that all parties concerned were disinclined to break up quadripartite unanimity at the present time. Donnelly also observed that "our firm position in this matter is succeeding in wearing down the resistance of my colleagues." (763.0221/1-1152)

[4] Telegram 1649 noted that the Department of State believed that the allocation of 151 million schillings with the escalator clause was a reasonable basis for agreement. It recommended, however, that before an open rupture occurs, Donnelly propose relating occupation costs to the performance of the occupation function whereby an accounting system would be established to justify the need for funds. (763.0221/12-2851)

etha's speech Dec 14. [5] He stated his govt would not consider any reduction, repeating well-worn arguments why Austrians should accept increase in costs, and implying drastic reduction French troop strength unless full sum received.

Caccia pointed out acceptance of US terms would mean a necessary retrenchment in Brit occ forces; he suggested this would most likely take form of sending wives and children home, a solution which would prove most unpalatable to Brit Govt in view long enforced separations last war, plus dependent evacuations already in force Malaya and Egypt at present time.

I pointed out that unless we all did something to keep Aust economy stabilized, country would face possible economic collapse, and felt that they as well as we, certainly did not want such an event to occur. I briefly reviewed unhappy Aust budget situation, pointing out that Aust budget represents 50 percent of country's productive income, an alarming situation probably unparalleled in world today, and called attention to inflationary factors which had resulted in increase of over 50 percent in prices during past 18 months.

When Brit turned conversation to possible alternatives in case QP agreement not reached, Payart again became incensed at mere thought having to deal bilaterally with Margaretha, but finally asked if US could accept 180 million schillings per element, saying that while he could not conscientiously recommend such a compromise to his govt, he might decide to do so. Caccia frankly stated that his hands were bound by present instructions to press for 200 million, but that he would present entire situation to his govt, requesting instructions prior to meeting Jan 11. Reiterated our opposition to any increase above final figure for 1951 and told Brit and Fr I would maintain this position at next meeting.

I continue to believe Brit and French can get along with 1951 figure, provided they institute economies, and I am inclined to believe that they will in end accept quadripartite allocation of 151 million schillings per element, plus escalator clause reported in Embtel 2050 Dec. 14. [6] Fr and Sov attitude re comparison items

---

[5] Reference to a speech by Finance Minister Margaretha before the Dec. 14, 1951, session of the Austrian Parliament in which he deplored the effect the raising of occupation costs would have on the Austrian budget and economy and singled out the French and Soviet elements as having claimed supplementary funds. Margaretha noted, however, that the U.S. element had not claimed occupation costs since 1947. A summary of this speech was transmitted to the Department of State in despatch 958 from Vienna, Dec. 28, 1951. (763.0221/12-2851)

[6] Telegram 2050 described the escalator clause proposed by the British High Commissioner which allowed for a supplementary allocation if the treaty negotiations did not result in the withdrawal from Austria of the occupation forces in 1952 or if increased prices or other causes resulted in the figure of 151 million schillings per element being insufficient. (763.0221/12-1451)

chargeable to occupation with US figures indicated clearly they wish no such comparisons to be made, and similarly indicates where economies in their costs can be made.

DONNELLY

No. 782

Editorial Note

During the Truman–Churchill talks in Washington, January 5–18, British Foreign Secretary Anthony Eden, who accompanied Churchill, met with Secretary of State Acheson for a discussion concerning the Austrian Treaty. A telegraphic summary of this meeting was transmitted to London in telegram 3292, January 11, and repeated to Paris, Vienna, Moscow, and Bonn. (663.001/12–1551) A briefing paper entitled "A Proposal for Positive Action by the U.S.", as well as a covering memorandum by the Assistant Secretary of State for European Affairs, George W. Perkins, dated January 9, were sent to Secretary Acheson in preparation for the meeting. Copies of these documents, which bear the notation "Sec saw," are in file 663.001/1–952.

No. 783

663.001/1–1152: Telegram

The Chargé in the United Kingdom (Penfield) to the Department of State [1]

SECRET LONDON, January 11, 1952—1 p.m.

3059. Aust Amb Wimmer has expressed to Emb officer hope of his govt that west powers will be prepared concede Sov wording or at least will be prepared to go a long way in making concessions to Sov views, of disputed arts to draft treaty in interests of securing Sov agreement at forthcoming Aust deps meeting. He said that while he had no illusions as to likelihood that Sovs are yet ready to sign a treaty in any form his govt believed that time had robbed issues involved in disputed arts of most of their substantive importance and that Sov texts of these arts cld now be conceded without undue damage to Aust and west interests. As example he pointed out there remained only between 10 and 15 thous DP's including less than 2,000 Sov nationals, in which Sovs might be interested

[1] Repeated to Bonn for Reber and to Vienna.

under Art 16 and that it shld be possible to find means of caring for them before treaty came into force.

Wimmer emphasized that it was very difficult for persons who are not as close to "the front" as Aust are to realize effects of seven years of occupation, and implied that he hoped greater weight wld be given to views of those at the front by those behind the lines. In this connection he mentioned that altho burden of Sov occ forces was by far most onerous, burden of Fr and Brit occ costs also had its effects. He earnestly hoped that west powers wld feel able to make concessions necessary to meet Sov position on disputed arts.

Comment: Appears Wimmer wished impress US that morale of Austs will suffer if concessions are not made in effort to secure agreement, and that there will be some popular resentment against US (since willingness of Brit and Fr to make concession will probably become known). For latest Brit views see para 6 Embtel 3055 rptd info Vienna 132, Paris 1414, Moscow 62, Bonn 183. [2]

PENFIELD

[2] Telegram 3055 noted in paragraph 6 that the Foreign Office was disappointed with the unwillingness of the Department of State to make concessions on the unagreed articles to the Soviets. It was the belief of Foreign Office officials that without concessions there would be no basis for the resumption of the negotiations or the achievement of a realistic Western policy. (663.001/1–1052)

No. 784

663.001/6–1252

Memorandum of Conversation, by Peter Rutter of the Office of Western European Affairs

SECRET [WASHINGTON,] January 12, 1952.

Subject: The Austrian Treaty.

Participants: K.D. Jamieson, Second Secretary, British Embassy
Francis T. Williamson
Peter Rutter

Mr. Jamieson read in its entirety the British report of the January 10 talks between the Secretary and Mr. Eden on the Austrian Treaty, [1] and Mr. Williamson read the U.S. memorandum of conversation prepared for the Secretary's signature on the same meeting. While there were understandable differences in rhetoric and emphasis in the two reports, there appeared to be only one differ-

[1] See Document 782.

ence in substance. This refers to the tactics which the Western Deputies would use in the forthcoming meeting.

Mr. Jamieson reported the views of the Foreign Office to the effect that before the abbreviated treaty [2] is presented to the Soviets the British wished to demonstrate clearly that the Western Powers would be prepared to concede the Soviet versions of the unagreed articles to obtain a treaty. Although the British now understood that they would not make a direct offer to do this, they felt that Mr. Acheson's words represented a U.S. commitment to act along the same lines. The pertinent sentence in the British report on this matter is "He (Mr. Acheson) did not object, however, to saying that we would go a long way to meet the Russians if they agreed to sign the Treaty on that basis". The British, Mr. Jamieson said, interpreted the words "saying" and "a long way" to mean that the Western Powers would make a general offer of concessions to the Soviets on the understanding that the Treaty would be concluded.

Mr. Williamson answered that the above did not represent our interpretation of the Secretary's words. The Secretary had made it clear that nothing should be done which might be interpreted by the Soviets as a commitment to make concessions. It was not to be expected that the Secretary and Mr. Eden would spell out what was essentially a tactical detail which should be handled by the Deputies. By skillful negotiating tactics, the Western Deputies should be able to push the Soviet Deputy into a repudiation of the old draft.

Mr. Jamieson then agreed that this was a tactical detail but stated that the desired end was so important to the British they did not wish to leave to the discretion of the Deputies the spelling out of the phrase "a long way". He, therefore, would communicate this difference of interpretation to the Foreign Office immediately.

Mr. Jamieson reported that the British text allowed for a ten day adjournment of the Deputies between January 21 and the date of the next meeting when the abbreviated treaty would be proposed. Mr. Williamson said that it was his recollection of the meeting that no specific time period was mentioned. He agreed with Mr. Jamieson that the matter was of no importance unless the Soviet Deputy was to be in the Chair for the subsequent meeting. In this event an exact date should be set.

---

[2] Reference is to the short treaty draft which was under consideration for possible introduction into the four-power negotiations concerning an Austrian Treaty. This abbreviated draft treaty was formally proposed by the three Western powers in March 1952. See Document 794.

No. 785

663.001/1-952

Memorandum of Conversation, by the Assistant Secretary of State for European Affairs (Perkins) [1]

SECRET [WASHINGTON,] January 14, 1952.

Subject: The Austrian Treaty

Participants: B. A. B. Burrows, Counselor, British Embassy
George W. Perkins
Francis T. Williamson

Mr. Burrows called to discuss the difference in the U.S. and U.K. report of the Secretary's conversation with Mr. Eden on the tactics to be utilized in the initial meeting of the Austrian Treaty Deputies on January 21. Mr. Burrows stated that he felt this difference was confined to the approach to be used in the opening remarks of the Western Deputies. He felt that Mr. Eden wanted the Deputies to begin the negotiations by saying that they desired to conclude the present draft treaty, that they are prepared to examine the unagreed articles, and inquire whether the Russians are prepared to conclude the Treaty. He felt, however, that in any initial approach of this kind it must be indicated to the Russians that we would go a long way in meeting their terms on the unagreed articles.

I stated that this was largely a matter of negotiating tactics and that the Western Deputies should first feel out the Russian position. If the Soviets were adamant and refused to discuss the treaty because of extraneous issues, the Western Deputies should make no move to offer concessions. If, however, the Russians indicated a desire to discuss and conclude the present treaty, we should state that we would be interested in their views and that we were prepared to examine their proposals sympathetically. I stated that if we started the negotiations by offering concessions the natural question for the Russians would be to inquire what concessions we had in mind. We would find it difficult to specify articles which we would adopt in the Soviet text. I stated that this procedure would thereafter involve the Western Powers in a commitment to make concessions. Mr. Burrows replied that we could leave the Western reply about "going a long way" vague and unanswered unless the Russians demonstrated a willingness to sign the present draft and stated that they would not introduce extraneous issues. I replied that this would be difficult to do and that we would be forced to specify what concessions we are prepared to make.

---

[1] Drafted by Williamson.

Mr. Burrows stated that this difference of interpretation indicated a fundamental difference between the British and U.S. position on the Austrian Treaty. He said that the British Government was prepared to sign the present Treaty and to accept the Soviet terms to bring about its conclusion. He said that the British Government did not favor the introduction of the abbreviated text because British opinion did not accept it unless all steps had been taken to conclude the present Treaty.

I informed Mr. Burrows that I had checked this matter with Mr. Matthews and the Secretary. The Secretary considered that we should begin the meeting by asking the Russians if they had any new ideas and if they planned to conclude the present Treaty. If the Russian Deputy indicated a willingness to discuss the present draft with a view to its conclusion we should inform him that we are prepared to examine his proposals sympathetically. However, if the Russian Deputy refused to discuss the present draft we should not offer to make concessions and should proceed with the tripartite discussion for a new basis for negotiations.

I told Mr. Burrows that I did not think that this was a serious problem and that the exact negotiating tactics could be worked out by the three Deputies. I told him that we would show him the instructions which will be sent to the U.S. Deputy so that there will be no difference of opinion.

GEORGE W. PERKINS

No. 786

663.001/1-1552: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, January 15, 1952—7:11 p.m.

3360. In resuming negots Aust Treaty US objective shld be to seek definite Sov position on present draft treaty, to ascertain on what terms Sov wld conclude treaty, and, in event of anticipated obstructionism, to prepare way for proposing new basis of negots.

Believe Sovs will follow one of three courses of action (1) Sov Deputy may issue propaganda blast against Aust and West Powers, thus blocking conclusion present draft and making more certain Aust settlement dependent on gen Eur settlement or at least settlement Ger problems. (2) Sovs may make new proposal of their own for neutralization Aust, for a Four Power conference, or some other

[1] Drafted by E. P. Allen, Williamson, and Rutter and cleared by Bonbright and (in draft) Perkins. Repeated to Vienna, Moscow, Paris, and Bonn.

proposal not heretofore considered. Any such Sov proposal shld be referred to West Govts for consideration on its merits unless it is so obviously a propaganda move that such reference is not warranted. (3) Unlikely alternative is that Sov Deputy may indicate he is prepared to discuss present draft with view to its conclusion.

Dept considers that in gen terms you shld seek to ascertain Sov position by inquiring whether they are prepared to conclude present draft and, if so, on what terms. This inquiry shld be prefaced by review of previous mtgs and summary of reasons why agreement has been impossible. We are willing if necessary to indicate we are prepared to examine any proposals they wish to make for conclusion of treaty, but extreme care must be exercised to avoid making concessions or involve West in any commitment of any nature to make concessions. Dept considers this question can be handled by skillful negots provided West Powers agree that our objective is to obtain definitive Sov statement on treaty, which if negative can justify intro abbreviated treaty.

In event, Sov Deputy indicates willingness to conclude treaty and does not raise extraneous issues, the US will examine his proposals in manner consistent with Secy's talks with Eden. [2] No commitment can be made concerning concessions on specific articles or extent we wld move to obtain conclusion treaty without instrus from Dept. Action of this nature wld require Congressional consultation and decisions at highest level in Washington.

Dept considers that in ur negots you can find acceptable compromise in initial approach to Sovs which does not involve us in any commitment and which satisfies Brit wish to clear field for new basis of negots. We believe Sov Deputy can be maneuvered into position which implies that they wld not accept treaty even on their own terms without making West commitment. It is quite likely that Sov Deputy himself will resolve this problem by refusing to proceed with Aust settlement. Therefore, every effort shld be made to draw out Sov Deputy to propose his program for Aust settlement without directly offering to accept his terms. Dept also considers that if record of negots is published in White Paper and contents and purpose of abbreviated treaty made known, Brit opinion wld endorse this move to obtain an equitable Aust settlement.

In summary, US policy in negots shld be guided by fol principles:

1. US shld refuse discuss extraneous issues or change agreed arts.

2. US shld not offer further concessions to Sov but shld be willing to indicate we are prepared to consider sympathetically any Sov

---

[2] Reference to Acheson's meeting with Eden on Jan. 10; see Document 782.

proposals re text of treaty, providing they offer hope of concluding treaty.

3. Continuity of negots shld be preserved in order ultimate objective of settlement containing minimum requirements for Aust independence can be obtained.

4. Avoid any situation wherein West Powers can justifiedly be blamed by Austs for blocking settlement.

ACHESON

No. 787

763.0221/1-1652: Telegram

The United States High Commissioner for Austria (Donnelly) to the Department of State [1]

TOP SECRET VIENNA, January 16, 1952—6 p.m.

2330. General Irwin discussed occupation cost problem with General Eisenhower during his recent visit to Paris and today received following message from Gruenther:

"*Personal to Irwin from Gruenther.*

I have modified your statement [2] slightly, and I trust the revised version will meet with your requirements.

General Eisenhower expressed interest and concern about the Allied disagreement on occupation costs for Austria. He deplored the fact that in a critical area such disagreements could continue unsolved and expressed view that matter now obviously requires solution at government level. He fears that failure to solve the problem may adversely affect military plans for Austria.

He stated that US thinking apparently fails to consider financial difficulties of French and British and their feeling that Austria must make a substantial contribution for military efforts in its behalf.

He is aware of the contribution to Soviet support resulting from quadripartite agreement on occupation costs, and believes the amount should be kept to an acceptable minimum. However, he considers Allied agreement paramount, and the contribution to Soviet maintenance unfortunate, but not the controlling factor.

He feels that it is unwise to endanger friendly relations among the Allied High Commissioners on a matter that is probably beyond their competence to settle until their governments reach substantial agreement as to principles in the matter."

---

[1] Attached to this telegram was a handwritten note by Allen which reads as follows: "Suggest we give D[ean] A[cheson] a copy and, if Defense agrees, we approve Vienna's program so that they will know they have our support."

[2] Not further identified.

Four High Commissioners will resume discussion problem on January 21. But French and Soviet will then report re actions their governments to US proposal that 1952 occupation costs be held at final figure for 1951 plus escalator clause and cash payments.

I shall await Department's reaction to above message and any further suggestions in connection with problem. [3]

DONNELLY

[3] In telegram 1827 to Vienna, Jan. 19, the Department of State informed Embassy officials that it was willing to rely on their judgment in the attempt to seek agreement on a compromise figure for occupation costs. (763.0221/1-1652)

No. 788

763.0221/1-2152: Telegram

The United States High Commissioner for Austria (Donnelly) to the Department of State [1]

TOP SECRET VIENNA, January 21, 1952—9 p.m.

2383. Meeting held today with western HICOMs before and after quadripartite meeting occ costs. [2] At morning meeting with western colleagues, we discussed Figl letter reported to Dept Embtel 2365 Jan 18, [3] as well as general subject occ costs figures. Regarding letter, general agreement that it was ill-advised on part of Aus Govt. We agreed that a strong negative reply essential preserve quadripartite unanimity, and draft reply formulated, later approved at HICOM afternoon meeting on occ costs.

I laid cards on table at morning western meeting, giving my French and Brit colleagues gist Deptel 1827, Jan 19. [4] I continued stress need for paring costs to minimum. Caccia offered immed furnish me specific breakdown, stating he felt confident he could demonstrate need for more than 185 million schilling figure. Payart as usual, ill at ease at mention breakdown of occ costs.

[1] Repeated to London for Dowling and to Paris.

[2] The minutes of the Allied Council meeting of Jan. 21 are in ALCO records, lot 62 F 6, "Allied Commission Minutes—1952".

[3] Telegram 2365 transmitted the text of a letter from Figl to the Allied Secretariat, dated Jan. 16, in which Figl protested the burden of occupation costs and demanded the abolition of cash payments for this purpose. (763.0221/1-1852)

[4] See footnote 3, *supra*.

In afternoon meeting attended by Kraskevitch, Payart, Caccia, with myself in chair, reply to Figl letter (Embtel 2372, Jan 21 [5]) agreed.

After preliminary remarks, with French stating they would recommend figure 185 million plus escalator, plus cash provision, and Brit stating would recommend 185 million, Kraskevitch blandly stated: "The Sov element will accept any amount not lower than 151 million schillings under condition that we reach quadripartite agreement on this figure." Accuracy this statement re-checked in direct question to Sovs. Sov statement completely surprised Brit and French reps, although not entirely unexpected by US as reflected in Embtels.

Sov added also prepared to accept 185 million or any figure in between as long as quadripartite agreement. Brit and French reps requested time to relay info their govts before further discussion. Next quadripartite meeting tentatively set to follow ALCO of Jan 25, although Payart stated would probably need further time to receive instructions in view newly formed govt in Paris. [6]

Brief meeting at French Emb later this afternoon between Payart, Caccia and myself. It was agreed that Brit and French will send technical reps to meet with us in next few days for comparison breakdown occ costs. I proposed, subject approval Dept, that deputies now in London be instructed proceed Paris prior to return to Vienna for discussion basic military aspects relating to occ costs with SHAPE. I feel that Dowling might, for our part, be most helpful in frank discussion military aspects our problem since French and Brit reps continually insist they will be forced to reduce present troop strength Aus, rather than increasing strength as has been suggested. Sov move today appears another confirmation that they have no intention conclude state treaty at any early date.

In conclusion, while I regret obvious discomfiture Brit and French colleagues to Sov benefit, I feel that quadripartite unanimity in this matter is more imperative than ever and believe French and Brit now have little alternative than accede to maximum proposal previously made by me, namely 151 million schillings plus escalator, plus cash provision. [7]

DONNELLY

---

[5] Telegram 2372 transmitted the text of the Allied reply to Figl informing him that the occupying powers "will require the Austrian Government to pay all bills in the same manner as in the past." (763.0221/1-2152)

[6] Following the resignation of René Pleven's government on Jan. 7, Edgar Faure formed a new government on Jan. 20.

[7] Following meetings with the French and British High Commissioners on Jan. 25 and 30, at which British agreement was obtained for the figure of 151 million schillings in occupation costs, followed shortly afterward by French approval, the four

Continued

No. 789

763.0221/1-2252

The United States High Commissioner for Austria (Donnelly) to the Deputy Director of the Office of Western European Affairs (Williamson)

CONFIDENTIAL VIENNA, January 22, 1952.

DEAR FRANCIS: In the event you have not been advised by the Department of the Army of their recent communications with USFA on the subject of recruiting aliens for the enlistment program in Austria, I attach copies of a recent exchange of wires between Washington and Salzburg on the subject. I am strongly opposed to the operation of this program in Austria and General Irwin is in entire agreement.

Sincerely yours,

WALTER

[Enclosure 1]

Telegram From the Department of the Army to the Commanding General of the United States Forces in Austria (Irwin)

CONFIDENTIAL [WASHINGTON,] 11 January 1952.

DA 91645. DA desires to emphasize that alien enl program auth by Public Law 597, 81st Congress [1] as amended is of utmost importance. Program permits Army to enl aliens of high caliber who will be of great value to svc. Mental, moral, and physical standards for enl have been placed quite high purposely to obtain only quality pers which will make program success. Important that DA leave no area of procurement unexplored to end that qualified aliens will be offered opportunity to enl. DA has considered reasons stated urad P 1878, 26 November 51 [2] as well as others not mentioned with which this HQ is familiar from past comm. Since current instr to

---

High Commissioners met on Feb. 14 and agreed to accept that figure for 1952 occupation costs along with the escalator and cash provisions. (Telegram 2660 from Vienna, Feb. 14, 763.0221/2-1452) The Austrian Chancellor was informed of this decision by means of a letter from the Allied Secretariat on Feb. 18; a copy of this letter, which had not yet been sent, was transmitted to the Department of State in despatch 1281 from Vienna, Feb. 15. (763.0221/2-1552)

[1] Public Law 597, "An Act to provide for the enlistment of aliens in the Regular Army," was approved by the Second Session of the 81st Congress on June 30, 1950.

[2] Not found in Department of State files.

HQ EUCOM prevent enl of pers from countries rec ERP aid (Austrian Nationals thereby prevented from being considered for enl) rqst reconsideration be given to ref radio with view to withdrawal of objections stated. If you perceive no objection to establishment of alien enl program in Austria as result of info stated above anticipated CG EUCOM will be directed to contact your HQ to provide rct station at such places you may desire. Since this program is in nature of pilot model considered desirable to provide teams on TDY from EUCOM for selecting testing, and interviewing appl so that constant standards may be maintained. These teams are experienced as result of opn of program thus far. HQ EUCOM will further be notified no Austrian Nationals will be considered for enl. Current instr will be modified to remove rqmt for 50 Austrians from Soviet Zone of Austria which number was place there in error.

[Enclosure 2]

Telegram From the Commanding General of the United States Forces in Austria (Irwin) to the Department of the Army

CONFIDENTIAL [VIENNA, undated.]

From Irwin personal for Bergin. Reference DA cable 91645 and my cables P0751 and P1878.[3] Ambassador Donnelly and I have again discussed at great length the enlistment of aliens and concur in strongly recommending against extending the current program to include Austria. In addition to reasons previously presented, it is our opinion that this program would not be successful at this time. Such a program probably could have been successful had it been initiated in the 1945–46 period. Over the period of the past five years, IRO has screened out of Austria all but a small number of aliens who could be considered of high caliber and who could be of value to the service. As a result, it is our fixed opinion that only a limited number of aliens of the type desired could be enlisted in Austria. The possibility of opening up this subject and giving the Soviet a fertile field for criticism and adverse publicity would seem to outweigh the advantages that could possibly be gained through the enlistment of a minimum number of individuals. It is believed that the only way such a program could profitably succeed in Austria would be to authorize the enlistment of Austrian Nationals, a source of quality personnel. Many Austrians of the caliber desired have applied or made inquiry to this headquarters concerning en-

[3] None found in Department of State files.

listment under this program. Finally, and most important, such a program would be a definite violation of the quadripartite control agreement.

No. 790

396.1 LO/1–2452: Telegram

The Chargé in the United Kingdom (Holmes) to the Department of State [1]

SECRET LONDON, January 24, 1952—7 p.m.

3224. From Reber. I remained in London at request of FonOff to bring tripartite discussions to close. [2] Agreement has been reached on method of dealing with present situation Austrian treaty for recommendations on future action. Agreement summarized as follows:

1. Meeting of deputies: British and French concur that western deputies can not meet on terms proposed by Soviets without admitting principle that their conditions are related to conclusion of treaty. Western position stated in communication sent today by Secretary General Soviet rep and released to press tonight (see fol tel [3]).

Although no reply yet received to western deputies letter of Jan 19, [4] we anticipate Soviets will raise same issues and continue to demand acceptance of their conditions for attending meeting. If reply is received it can be considered in light of our agreed position, but none of the deps believe that a meeting will be held.

2. Abbreviated treaty: Three deputies agreed that new situation has been created by Soviet action and that serious consideration shld be now given by govts to proceeding with abbreviated treaty. Decision on timing shld take into account any Soviet reply to Jan 19 letter, effect on Austrian public opinion and necessity of avoiding both Austrian and Soviet charges that we are scrapping five years of negotiations. Decision shld be made after consultation with Aust Govt. Presentation to Soviets may have to be made through diplomatic channels as there seems little possibility of deputies

---

[1] Repeated to Paris, Vienna, Bonn, and Moscow.

[2] Regarding the tripartite meetings in London, see Document 780.

[3] Reference to telegram 3213 from London, Jan. 24, which included the text of the note to the Soviet Government of that date. (396.1 LO/1–2452) For text of this note, see Department of State *Bulletin*, Feb. 4, 1952, p. 160.

[4] Regarding this letter from the Secretary General of the CFM to the Soviet Chargé at London, see Document 780.

meeting in near future. Foregoing shld be discussed by Fon Mins at next meeting.

I stated US position that while it wld have been preferable to have clear reply to question whether Soviet prepared now to conclude treaty, in order create most favorable atmosphere for reduction abbreviated treaty, this now appears impossible of realization. Present situation makes presentation even more urgent and important. British and French unwilling to accept more than tripartite agreement outlined above. French conceded present situation was step forward towards presentation. British admitted he was inclined to this view but cld not commit himself at this stage.

No further discussion of abbreviated treaty text and no disagreement exists, except points raised by French (Embtel 3183, Jan 22 [5]). I recommend that Emb Paris and HICOM, Vienna, be instructed to attempt to persuade French to withdraw proposals re limitations on Austrian military forces and to accept declaration proposed in reftel instead of article prohibiting *Anschluss*.

Next steps in Austria: We consider that steps will have to be taken in Austria to offset effect of Soviet refusal to attend meeting, and to alleviate situation arising from continued lack of treaty, including possible quadripartite modification of occupation controls. Western deputies recommend that HICOMs, Vienna, be instructed to draw up recommendation for Fon Mins re steps which can be taken without being interpreted by Austrians or Soviets as substitute for treaty. Austrian Govt shld be consulted in preparation of report if appropriate.

HOLMES

[5] Telegram 3183 reported that in informal exchanges of views with the British and French, the French pressed for the inclusion of anti-*Anschluss* and military limitation provisions in the abbreviated treaty draft. (396.1 LO/1-2252)

No. 791

663.001/1-2552

The Deputy Director of the Office of Western European Affairs (Williamson) to the Deputy Assistant Secretary of State for European Affairs (Bonbright) [1]

SECRET
PERSONAL AND OFFICIAL

BAD GODESBERG, January 25, 1952.

DEAR JAMIE: I appreciated your thoughtfulness in your last telegram [2] and can assure you that going to Vienna will not inconvenience me in any way. Your telegram did confuse such people as the Naval Attaché, JAMAG, ECA and all the other organizations in London as it was given the widest distribution possible. I will think of an appropriate answer and send it to you in due course.

You may have been put out at the lack of any more definite agreement in the tripartite talks in London. The action of the Soviets in refusing to come to a meeting rocked the British on their heels as they had it all worked out to "clear the deck" for the negotiation of the old treaty. Eden stated that as soon as the decks were clear, the British Government would join in the presentation of the abbreviated text. When the Russians failed to show, Mr. Eden said that a new situation was created which, from the point of view of British public opinion, would have to be examined carefully. In the first tripartite talk we had the British were categorical in saying that the abbreviated text could not be presented until a meeting had been held on the old treaty. In the subsequent meetings they moved a great deal. The agreed position we transmitted to you on Wednesday [3] was as far as they would go pending further consideration of the problem by Eden. He has taken a lively interest in the whole question and Harrison, the British deputy, checked with him at every step in the discussions. I am sure that they will accept our position if we give them a little time and do not push the matter. That is the reason why Sam and I left. Red Dowling stayed over one more day to twist the arm of the British Deputy High Commissioner and then was going to France to talk about occupation costs. Both Sam and I felt that it would have been a mistake for either one of us to remain in London at this time since the British are going to arrive at their decision in their own fashion.

---

[1] According to notations on the source text, this letter was circulated to Byington and E. P. Allen. Allen thanked Bonbright for showing him the letter and noted that it "explains a lot."

[2] Reference to telegram 3336 to London, Jan. 23, which approved of Williamson's visit to Vienna after the conclusion of his duties in London. (663.001/1-2352)

[3] Reference to telegram 3224 from London, Jan. 24, *supra*.

The British have no quarrel whatsoever with the substance of the treaty and defended it magnificently against French criticism. In fact, they defended it more eagerly than we did. Their sole concern is on the question of timing and the possibility of an adverse Austrian reaction charging that we have thrown away many years of hard work and effort. We all agreed that the decision on timing as reported in the telegram would have to be taken in closed consultation with the Austrian Government.

I hope that something can be done to convince the French that they should not clutter the abbreviated treaty with miscellaneous articles on German policy. If you agree with the recommendations in the telegram, I hope that the appropriate instructions can be sent. It also might be desirable to discuss the possibility of a draft declaration which could be used to offset the French fears about an Austrian union with Germany. If any such declaration is prepared, it should cover all aspects of the problem of Austrian security including the problem of *Anschluss*.

From a tripartite point of view, I think the meeting in London was a success. Except for the *Anschluss* question, the French have pretty well adopted our position subject to the conditions which were listed in our final report. I think when the British decision is reached it will be a firm one to proceed with the presentation of the abbreviated treaty. Bob Hooker is following the question with the British, and Red and I had a chance to talk to the French Foreign Office people. The only disability of the conference was the fact that Sam and I nearly froze to death. I've never seen it so cold in London.

I am leaving for Rome next week and, according to the directive issued by Arthur Stevens, will be back in my office at 8:45 on Monday, February 11. With kindest regards.

Sincerely yours,

FRANCIS

No. 792

396.1 LO/1-2452: Telegram

The Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, January 30, 1952—6 p.m.

4440. Fol are Dept's views on Aust Treaty situation (London's 3224 Jan 24[2]):

Present Status

(1) Agree West Deputies cannot meet on Sov terms without admitting relevance extraneous issues.

(2) Sov ltrs and absence from mtg have created situation anticipated Eden conversations Jan 10 (Deptel 3292 Jan 11 to London [3]). Opportunity now exists for transition from draft to abbreviated treaty. Dept apprehensive lest this opportunity be lost by continuing Brit and Fr procrastination on whole new concept and details to effect presentation to Sovs. Believe wld be mistake for West to wait indefinitely for Sovs to act as to do so, without action on our part, wld afford opportunity for change in public opinion both in West and Aust tending toward belief Sov position has some validity and West not doing utmost to protect Aust interests.

Interim Action

(3) As further means to indicate field has been cleared for introduction new tactics Dept proposes tripartite group Vienna prepare communiqué for issuance by West Treaty Deps recommending Govts consider means to reestablish four power negots in view Sov obstructionism on present basis. Communiqué shld be released immed after receipt Sov reply to West Deps Jan 19 ltr [4] if substance substantially as predicted para 1 London's 3224 or at latest prior Lisbon mtg FonMins. [5]

Planning and Preparation Introduction Abbreviated Treaty

(4) Recommend tripartite work on abbrev treaty proceed urgently with view submission specific program to FonMins at Lisbon for resolution remaining differences if any. Believe tripartite group Vienna cld achieve substantial agreement on abbreviated text, manner in which matters not included in abbreviated text are to

---

[1] Drafted by E.P. Allen, Rutter, and Land; cleared by Dawson, Byington, Bonbright, and Perkins. Repeated for action to London, Vienna, and Bonn and for information to Moscow.

[2] Document 790.

[3] See Document 782.

[4] Regarding the Jan. 19 letter and the Soviet reply, see Document 780.

[5] The Foreign Ministers met in Lisbon, Feb. 20–26, 1952.

be treated, and White Paper thus leaving to FonMins consideration project as a whole.

(5) Re inclusion mil clauses and prohibition *Anschluss* in text believe Treaty shld be limited to barest essentials and that conditions giving rise to Fr apprehensions have diminished. Vienna and Paris shld attempt persuade Fr that Sovs, if they are at all willing discuss abbrev treaty, may be expected demand inclusion these provisions among others. Preferable, therefore, to have Sovs raise these matters which cld then be used by West for bargaining purposes. If Fr do not agree they might be told best place for guarantee against *Anschluss* wld be in Ger Peace Treaty.

Bilateral Agmts

(6) (Vienna's 2430 Jan 24 [6] and London's 3133 Jan 18. [7]) Dept realizes ultimate need for some such agmts but in view uncertainty surrounding abbreviated text believes specific commitments at this time not approp. Sovs cld scare heavily if info leaked that West was seeking retain advantages of draft treaty while proposing elimination of arts favorable to Sovs. Dept strongly prefers asking Austs for gen undertaking to give certain commitments which will be determined in future but which will in no case exceed those presently contained in agreed arts or in West versions unagreed arts draft treaty, or in commitments we have already requested. Agree, however, appropriateness study by tripartite group Vienna of specific commitments and best method obtaining them. Suggest this connection that waiver claims, DP question and Yugo relations (arts 7 bis and 45) receive attention in addition to other arts previously discussed. Agree with Brit that all such matters need not be covered in bilaterals as some cld more appropriately be taken care of by Aust legis or other means.

White Paper

(7) Dept concurs modifications suggested by Brit (Vienna's despatch 1057 Jan 15 [8]) and recommends tripartite group Vienna give urgent attn completion White Paper. Entire paper shld be brought up to date to reflect current situation, including justification for

---

[6] Telegram 2430 reported on meetings with the British concerning the possible need for extra-treaty commitments from the Austrian Government if the Soviets appeared willing to accept the abbreviated treaty. (396.1 LO/1-2452)

[7] Telegram 3133 contained the draft text of a note proposed by the Foreign Office for issuance by the Austrian Government to the Western powers assuring favorable treatment on certain issues not covered by articles in the abbreviated treaty. (663.001/1-1852)

[8] Despatch 1057 transmitted to the Department of State an *aide-mémoire* from the British Embassy in Vienna proposing drafting changes in the paper "The United States and the Austrian Treaty" which was intended to serve as a basis for a White Paper. (663.001/1-1552)

transition to abbreviated text as outlined Dept's paper "Aust Treaty—Proposal for Positive Action by US". [9]

(8) Concur proposal HICOMs Vienna consider means alleviating Aust situation caused by continued failure conclude final settlement. Study and any resulting recommendations shld not however be considered in any manner as substitute for proposed treaty and work thereon shld not be permitted to delay in any way required prompt action in connection abbreviated text program. Study might give consideration to possibility seeking quadripartite agmt under arts 8a and 14 of Control agmt and shld also include those phases of occ controls and privileges in which West action cld be taken without Sov participation and without endangering existing quadripartite machinery and West interests.

(9) London, Paris, Vienna requested to urge Brit and Fr to agree foregoing program including earliest designation reps tripartite group Vienna. Views Aust Govt shld be obtained by West HICOMs prior submitting report and recommendations.

ACHESON

[9] Regarding this paper, see Document 782.

No. 793

396.1 LO/2-752: Telegram

The United States High Commissioner for Austria (Donnelly) to the Department of State [1]

SECRET VIENNA, February 7, 1952—10 p.m.

2591. Following paper represents final agreed views of three Western HICOM's on Aust treaty strategy (Deptel 1968, Feb 5 [2]):

"The three Western High Commissioners in Austria have considered points made in the reports of the FonMins' Deputies on the failure of the London talks [3] and recommend the following action:

I. Timing of submission of the abbreviated treaty.

(1) The High Commissioners agree that the three FonMins should issue a statement referring to and reiterating the invitation

[1] Repeated to Bonn for Reber and to London and Paris.

[2] Telegram 1968 noted the concurrence of the Department of State in the preliminary recommendations of the three Western High Commissioners concerning strategy for dealing with the Austrian Treaty. (396.1 LO/2-252) The preliminary recommendations were transmitted to the Department of State in telegram 2537 from Vienna, Feb. 2. (396.1 LO/2-252)

[3] For a summary of the Deputies' reports, see telegram 3224 from London, Document 790.

of 28 December 1951, [4] to the Sovs to resume negotiations for the conclusion of the Aust state treaty; indicating the grave view they take of further delays in concluding the treaty on which so much time has already been expended; and intimating that they are considering ways and means of carrying out the Moscow declaration and thus fulfilling their pledge to restore Aust independence and sovereignty. Points which might be included are: (a) The Moscow declaration; (b) Austria, the first country to be occupied by Hitler, has still not regained its full sovereignty; (c) Serious restriction of Aust sovereignty in the absence of a treaty; (d) Western powers continuing desire to conclude a treaty; (e) Ardent desire of the Austs to see withdrawal of foreign troops from their country.

(2) In the event of no reply being received, or an unsatisfactory reply, the three FonMin's at the earliest convenient date thereafter, and preferably between Feb 29 and March 15, should in three identical notes to the Sov Govt make an explanatory statement which would start by noting this fact. Statement should go on to summarize their aims in regard to Aust and outline their motives in submitting therewith the abbreviated treaty as a basis for resumption of negotiations. The text of the note with the abbreviated treaty would be published immediately after delivery. The white paper would also be published.

The manner of the presentation of the points to be made in the note covering the abbreviated treaty will have to be decided in the light of Sov reactions to the communication of February 13 but they ought no doubt to include a recapitulation of the points made in that communication and make it clear that the Western powers are determined to support the prohibition on the *Anschluss* (see Para II (1) below) and the maintenance of a democratic govt and democratic institutions in Austria. (See Section II (3) below). The note would add that the abbreviated treaty which at this stage is an alternative for the old treaty is to be regarded as a basis for resuming negotiations and in view of its brevity and simplicity the Western powers hope it will enable occupation forces to be withdrawn. The statement should invite the Sov Govt to reopen discussion on the basis on the new draft. The HICOM's recommend that the final draft text of the note to the Soviet should be sent to them before it is submitted to the Sov Govt so as to enable them to obtain the final view of the Aust Govt.

---

[4] Regarding this invitation, see Document 780.

II. Text of abbreviated treaty.

(1) Prohibition of the *Anschluss.* The HICOM's agree that this point should be covered. They have considered two alternative means of doing so—

(A) A proposal to insert a second paragraph to Article 2 reading as follows: "The Allied and associated powers declare that political or economic union (*Anschluss*) between Aust and Germany is prohibited. Aust fully recognizes its responsibility in this matter.

(B) A proposal for a special declaration by the three Western powers in which the Soviet would be invited to join. Having consulted Aust Ministers, the HICOM's suggest course (B), and that the Western intention to deal with the point in this way should be made clear to the Sov Govt at the time the abbreviated treaty is presented. (If this suggestion is accepted notice to the Sov Govt should be given in the note covering the abbreviated treaty). The HICOM's further suggest that if course (B) is adopted consideration should be given to the future accession to the declaration of the govt of Western Germany.

(2) Restriction of Austrian armed forces. Notwithstanding the French HICOM's instructions, *it is considered* from the local point of view, that it would be preferable to include no reference to Aust armed forces.

(3) Democratic Austria. In the course of the Western HICOM's discussions with the Aust Ministers, the Vice Chancellor stated that the Austrians attached importance to the inclusion of provisions to maintain a democratic regime and democratic institutions. The Chancellor and the Foreign Minister agreed. The HICOM's agreed that this request would best be met by inclusion in the note to the Sov Govt covering the abbreviated treaty.

The Vice Chancellor in a subsequent meeting with the Brit HICOM clarified his request. He suggested that the note should specifically include a guarantee of human rights, the maintenance of anti-Nazi and anti-Fascist legislation and the exclusion of the Hapsburgs (see Article 7 and 10 of the long treaty draft).

The HICOM's have considered the Vice Chancellor's request and have agreed that if his wish is to be met the points should also best be made in the note to the Sov Govt covering the abbreviated treaty. In such a case Austria would be expected to maintain in force the Aust constitutional provisions for the protection of human rights and the fundamental freedoms and to retain legislative provisions repealing measures introduced between 5 March 1933 and 30 April 1945, which conflict with these requirements. Austria would also be expected to maintain the principles of anti-Nazi legislation in force and to maintain the law of 3 April 1919 concerning the exclusion of the House of Hapsburg Lorraine.

The HICOM's considered the necessity and desirability of meeting the Vice Chancellor's request. The advantages of the inclusion of the Vice Chancellor's points are:

(1) It would curtail the Sov and could block propaganda which would follow if these items were excluded; the implication of the exclusion being that the Western powers are no longer interested in the maintenance of anti-Nazi and anti-Fascist legislation and the exclusion of the House of Hapsburg.
(2) It would in particular assist the Socialist Party against adverse propaganda aimed by the Communists at the socialist rank and file and it would enable the Socialist Party to give the fullest support to the abbreviated treaty.
(3) It might make the text of the abbreviated treaty more attractive to the Soviet.

The disadvantages are:

(1) It would contradict the purpose of the abbreviated treaty inasmuch as it invites the Sov to request that the relevant clauses of the long treaty draft should be added to the abbreviated treaty (see Article 9 and Sov additions thereto).
(2) It would contradict the spirit of the abbreviated treaty which seeks to carry out the Moscow declaration in the simplest way.
(3) It would indicate that the Western powers do not trust the Aust Govt to maintain in force existing constitutional provisions which cover these points and might imply that the Western powers are not satisfied, e.g., with the state of denazification.
(4) The inclusion would be primarily directed towards satisfying the wishes of a single party. The HICOM's were inclined to think that the disadvantages of inclusion outweighed the advantages.

III. Alleviation of the burden of occupation.

(1) The HICOM's and the Aust Ministers they have consulted agreed that measures of alleviation offer no alternative to the action recommended in part I above.
(2) The HICOM's and the Aust Ministers agree further that at this stage the existing control agreement appears to be the best that Austria can expect until a treaty is signed, and that its integrity and operation must in no way be prejudiced.
(3) The HICOM's recommend therefore that action to reduce the burden of occupation be confined to local action in the Allied Council and be aimed primarily at the restriction of Sov interferences in Aust affairs and the prevention of Sov abuse of the control agreement.
(4) The HICOM's agree that the relinquishment of occupation costs, reduction of troops and derequisitioning are of paramount importance to the Austrians. But they recognize that the financial position of the Brit and French Govts at this time precludes any quadripartite agreement on the abolition of occupation costs; that West military forces in Aust should not be withdrawn from Austria

until Sov forces have been evacuated from the country; and that derequisitioning must be left to the discretion and resources of each element in consultation with the Aust Government.

(5) The HICOM's consider that there are reasonable prospects of quadripartite agreement on a number of minor measures of alleviation on items reflected in points 4–20 of the Federal Chancellor's note of March 1950; certain of these have for some time been under discussion in the Allied Council, e.g., censorship, arrest of Aust citizens and freedom of communication.

(6) The HICOM's recommend that this action in the Allied Council should be continued pending the Sov reaction to the abbreviated treaty. Should this latter be rejected or ignored over a period of time, the three Western powers might wish to consider whether, in the light of the circumstances thus treated, a proposal for some modification of occupation controls should be made. Meanwhile, the HICOM's agree that a meeting of representatives of the three Western elements shld be set up to consider further action along the lines proposed in para (3) above."

HICOM's further agreed that preliminary draft of proposed FonMin announcement and note to Sov Govt presenting abbreviated treaty would be prepared by Vienna group for consideration by For Min's. Subsequently Vienna group will consider white paper and bring text up to date. [5]

DONNELLY

[5] In telegram 2016 to Vienna, repeated to London, Paris, and Bonn, the Department of State expressed gratification at the measure of agreement on the Austrian Treaty program as outlined in telegram 2591 and stated a hope that this program would be approved by their respective governments requiring only *pro forma* Foreign Minister action during the meetings scheduled for London. (396.1 LO/2–752)

No. 794

Editorial Note

The Foreign Ministers of the United States, the United Kingdom, and France held several conversations concerning Austria while in London for a series of meetings from February 13 through 19, and in Lisbon where they were attending the Ninth Session of the North Atlantic Council, February 20–25. On February 28, following the conclusion of these meetings, the three Foreign Ministers issued a joint declaration expressing their serious concern with the failure of the Soviet Deputy to attend the meeting scheduled for January 21, 1952, and noting that they were examining new proposals which would enable Austria to regain full independence. For

text of this declaration, see Department of State *Bulletin*, March 10, 1952, pages 579–580.

As a result of the agreement reached during these tripartite meetings concerning Austria, the three governments issued a proposal to the Soviet Union on March 13, 1952, which included the draft text of a new abbreviated Austrian Treaty of eight articles. For text of the abbreviated draft treaty, as well as the accompanying note to the Soviet Foreign Ministry of March 13, see *ibid.*, March 24, 1952, pages 448–450. Documentation concerning the drafting and issuance of this note and abbreviated treaty is in file 663.001.

No. 795

763.00/4–752

Memorandum of Conversation, by George Freimarck of the Office of Western European Affairs

SECRET [WASHINGTON,] April 7, 1952.

Subject: Vice Chancellor Schaerf Sums Up.

Participants: Dr. Adolph Schaerf, Vice Chancellor of Austria
George Freimarck

Several days before the end of his visit to the United States, [1] Vice Chancellor Schaerf told the Departmental officer accompanying him that he would like to have a "private talk" with him on "the latest developments in Austrian politics" before he returned to Austria. This talk took place in the Hotel Plaza in New York on the morning of Thursday, March 20. Schaerf's purpose in this was evidently to underline basic themes in his position with a view to having it repeated to the Department.

The Vice-Chancellor is a man of undeniable charm, whose *forte* of being disingenuous and taking his listener into apparently complete and disarming confidence was abetted on this morning by the comfort of a room looking out on the landscape of Central Park as it changed during an early Spring snowstorm.

---

[1] Schaerf was in the United States for a 3-week visit beginning Feb. 29. For Schaerf's account of his trip, see his book *Oesterreichs Erneuerung 1945–1955*, pp. 309–311. According to telegram 1750 to Vienna, Jan. 11, Schaerf's trip, which was paid for with U.S. funds, included visits to New York, Washington, Tennessee Valley Authority, Chicago, Detroit, Niagara Falls, and back to New York. It was also noted that Schaerf wanted the trip to be ostensibly a private one. (033.6311/1–1152)

During the conversation—which lasted some three quarters of an hour—Schaerf summarized his political position and offered his observations on the Austrian political repercussions of his trip.

Dr. Schaerf elaborated at some length on his thesis in the long-term *vs.* short-term investment policy controversy. In essence it was a repetition of the line of argument he pursued in his conversation with Mr. Harriman, although he now laid particular stress on the damage that United States prestige would suffer and the encouragement the Soviets would derive from a stoppage of the public works program. On the one hand there would be statements to the effect that "the Americans never finish what they start—look at these expensive ruins they left us with . . . " [2] and on the other, resultant unemployment would provide fertile ground for an increase in the Communist vote by way of protest.

Dr. Schaerf then summarized the advantages that would accrue to both Austria and the United States by completing the public works program and observed that diverting the effort to consumer goods industries would have a far more inflationary effect inasmuch as these industries were even now "overexpanded". At this point Dr. Schaerf made some rather sharp comments on the "selfish motives of the People's Party leadership".

This in turn led him to repeat what he had told the Departmental officer in two previous "private talks" during the journey. Dr. Schaerf said he was quite upset to have heard from Ambassador Donnelly (on Saturday March 8 at a luncheon given at the Austrian Embassy) that Ambassador Donnelly had supported Chancellor Figl in the matter of bread-grain prices "in order to save Figl's position in the People's Party." Schaerf expatiated on what he felt were the unfortunate and inflationary results of this action (stoppage of bread-grain deliveries and driving up the price of meat).

In this connection Schaerf turned to what he called "the embezzlement of Dollar funds." He professed to have thought the sum involved was a relatively small one and to have believed the issue involved no malfeasance until Ambassador Donnelly gave him the true figure. * He said he was undecided as to what immediate steps he would take in this situation but that it was evident that something had to be done. He mentioned the possibility of suspending "responsible bank officials". He is obviously apprehensive of the explosive possibilities of a thorough-going investigation into this affair, even though—as he implies—members of his own party are not involved.

---

[2] Ellipsis in the source text.

* Also at the March 8 luncheon. [Footnote in the source text.]

The Vice-Chancellor then reviewed his thoughts on the inflationary characteristics of the Austrian economy. Here again, he repeated the line he pursued with Mr. Harriman, viz. such characteristics were traceable to "inept" handling of the various wage-price agreements which incorporated "extraneous issues" that resulted in putting more money into circulation than was necessary or desirable.

Finally Schaerf said that he was very happy at the repercussions of his trip in the Austrian People's Party press, for now "The lines are drawn". In answer to a question he admitted that he had been apprehensive at first, but on balance he now felt quite pleased. He was quite prepared to have elections on the issue of "long-term vs. short-term investment policy". Would anything be changed *as a result of elections?* Schaerf thought not. He pointed out once more that the "long-term investment policy" was written into the budget and was therefore the policy of the Austrian Government. He further pointed out that Foreign Minister Gruber was in complete agreement with him on this question.

The little session ended on the note that it would be interesting to see how the ground actually lay in Austria.

No. 796

763.001/4-1352: Telegram

The Acting United States High Commissioner for Austria (Dowling) to the Department of State [1]

CONFIDENTIAL VIENNA, April 13, 1952—8:50 a.m.

3273. In commemoration seventh anniversary "liberation" Vienna by Red Army Commies staged hour-long torchlight parade evening April 10 along Ring, city's principal thoroughfare. Paraders assembled City Hall Square and at 1950 hours started march down Ring toward Stalin Square on border city's first district. By Aust police count, number of marchers set at 4,500 of whom 40 percent estimated children under 16. Additional 3,000 participants commemoration ceremony awaited marchers at Stalin Square.

Parade was orderly. No incidents reported. Marchers carried numerous placards and banners featuring familiar Commie themes, such as "Sov Union is bulwark of peace," "youth will never fight against Sov Union," "Sov Army liberated us". Other banners denounced "skeleton treaty". Chanting rehearsed Commie slogans and songs, marchers at signal from leaders parroted several ver-

[1] Repeated to Moscow.

sions "ami go home" theme when passing US occupied Bristol Hotel. No ref bacteriological warfare in banners, songs and chants. Spectators lining both sides street on route of march generally unresponsive except for small groups Commie stooges scattered thru crowd.

At Stalin Square marchers and spectators first addressed by Commie Parl Dep Ernst Fischer, who attacked Marshall Plan, praised Moscow Econ Conf, called Sov Union friend of peace, praised Commie resolution submitted to Parl during last week's foreign policy debate. Next Sov HICOM Gen Sviridov spoke in Russian with aid of interpreter. Sviridov stressed "liberation" Vienna by Red Army, attacked "Atlantic bloc" as instrument aggressive war against Sov Union and Peoples' Democracies, called World Peace Council signature campaign indication mankind's desire for peace, concluded with reaffirmation Sov Union's love of peace.

Many marchers and planted spectators, mentioned above, transported Vienna by truck from outlying districts, largely workers and employees USIA factories in Sov zone.

Parade was well organized, carefully prepared. Long stream burning torches, effect of masses people marching and singing as one, suggested power and unity of purpose reminiscent of stage effects successfully employed by Hitler.

In light Mar 31 demonstration before Greek Leg (Embtels 3169, Apr 2 [2] and 3254, Apr 10 [3]) fol occurrence in connection with parade may be significant. Between 18 and 19 hrs Apr 10 Sov Major commanding Vienna Fourth District visited Aust Police Capt Mikovits, commanding Aust police same district. Sov major informed Aust Police Capt that certain marchers, fol parade, might try demonstrating in front of Grk Leg and/or Fr Emb. Sov Major ordered added police protection for these missions, stating that not slightest act of violence against either wld be tolerated. Sov Major ordered all transgressors be arrested forthwith and brought straight to Fourth District Police.

DOWLING

---

[2] Telegram 3169 reported that 2,000 Communist demonstrators attacked the Greek Legation in Vienna's Fourth District on Mar. 31 and that the arrival of Austrian police reinforcements was delayed because of the behavior of Soviet officials. (763.001/4-252)

[3] Telegram 3254 summarized the discussion of the Mar. 31 attack on the Greek Legation during the Allied Council meeting of Apr. 10. (763.0221/4-1052)

No. 797

763.00/4-1752

Memorandum of Conversation, by the Director of the Office of Western European Affairs (Byington)

CONFIDENTIAL [WASHINGTON,] April 17, 1952.

Subject: Austrian Comments on Zablocki Committee Report on Austria

Participants: Dr. Max Loewenthal, Austrian Ambassador
Homer M. Byington, Jr.

The Austrian Ambassador said that while he had been very favorably impressed by the Zablocki Committee Report on Austria [1] as a whole, there were nevertheless certain comments that he felt it his duty to make for the record. He wished to point out the following:

On page 1, paragraph one, last sentence, appeared the phrase "a large portion of which (Austria) is geographically behind the iron curtain". The Ambassador stated that the inference of that phrase was that Austrian industry in the Soviet Zone was under Soviet domination and that it would contribute almost its entire production to the Soviet Union and satellites. The facts were the opposite, however. Austrian industry in the Soviet Zone, with the exception of those concerns taken over by the Russians as German assets under "USIA" organization, sent its production to the west rather than the east.

The Ambassador then referred to page 16 of the Report—the last two paragraphs, and the first five paragraphs on page 17 under "Conclusion". He said that the conclusion one would have to draw from these paragraphs was that United States aid to Austria should be confined to a sort of dole and should avoid any assistance in the way of raw materials and equipment to Austrian industry in the Soviet Zone because: (1) there was a risk that the industries would be taken over by the Soviet Union, and (2) in any event, the production of these industries went to the east rather than to the west.

The Austrian Ambassador pointed out that according to Soviet propaganda Austrian industry in the Soviet Zone has only one chance for survival—to trade with the east. If the Soviet press in Austria brought out the points made by the Committee, it would have a disheartening public effect and tend to confirm the Soviet

[1] Reference to the 96-page House Report 1834, "Report on Austria, Yugoslavia, Italy, Spain, by the Special Study Mission to Germany and Certain Other Countries . . .," 82d Cong., 2d sess. (Washington, Government Printing Office, 1952).

line that industry in the Soviet Zone of Austria has no future other than to collaborate with the Soviet Union.

The Austrian Ambassador said that he did not know what action we would wish to take in this matter, but in any event, he hoped that the Austrian view could be made available to the appropriate officers in the Department having to do with East-West trade, and to officials in the Department of Commerce. I said that as far as communicating with members of the Committee, I questioned whether it would be desirable for the Department to take any such action. Nevertheless, I would refer the matter to Mr. McFall for his advice. The report of the Committee was, as a whole favorable, and we would not want to take any action which might have a harmful rather than beneficial effect on the attitude of the Committee itself. I assured the Ambassador that his views would be made available to the appropriate economic officers in the Department and in Commerce.

No. 798

Editorial Note

On May 9, the Governments of the United States, the United Kingdom, and France sent a joint note to the Soviet Foreign Ministry requesting a reply to their tripartite note of March 13 which included the proposed text of the draft abbreviated treaty. For text of this note of May 9, see Department of State *Bulletin,* May 19, 1952, page 778.

No. 799

Editorial Note

On March 3, President Truman approved a Department of State proposal to invite Austrian Chancellor Leopold Figl to Washington for a visit in May; these plans were made public in a press release issued on March 31. On April 30, the Department of State issued a press release announcing Figl's itinerary which included arrival in New York on May 11, a visit to Washington from May 12 through May 16, a tour to Williamsburg, Niagara Falls, Detroit, Chicago, and Madison, ending in New York with departure scheduled for May 27. For text of these press releases, see Department of State *Bulletin,* April 14, 1952, page 585, and *ibid.,* May 12, 1952, page 746.

Copies of the briefing papers, itinerary, and biographical sketches prepared for Figl's visit are in Conference files, lot 59 D 95, CF 107. For a record of Figl's meeting with Secretary of State Acheson and with President Truman on May 13, see telegram 2859 to Vienna, May 14, *infra*. For a record of a meeting between Austrian officials and representatives of the Department of State on May 14, see the memorandum of conversation by Rutter, Document 801. For a summary of Figl's conversation with the Director for Mutual Security, W. Averell Harriman, on May 15, see Mustos 370 and 371, Documents 802 and 803.

No. 800

663.001/5–1452: Telegram

The Secretary of State to the Embassy in Austria [1]

SECRET WASHINGTON, May 14, 1952—7:04 p.m.

2859. Figl had one hour conference with SecState May 13 [2] on state treaty, economic reforms and Creditanstalt investigation.

In introductory statement Figl expressed gratitude for this visit emphasizing that morale of Aust people wld be strengthened by this trip since its official nature was public recognition of Aust sovereignty and indication of US support for Aust treaty, now again under consideration. Figl said free Austria was prerequisite for free Europe and enlarged on effects developments in Austria had on East satellites.

SecState remarked there was brief hope in summer 1949 that treaty might be concluded but Soviets soon reverted to sabotage tactics, which they kept up ever since. US, Brit and Fr wld continue however press for early conclusion of treaty.

Discussing economic problems, SecState told Chancellor Congress recently chopped off one billion dollars from Mutual Security bill and was now considering new cut of one billion. While second cut might be averted, congressional action was nevertheless indicative of current mood in legis of which the Chancellor wld have occasion to convince himself. Conclusion to be drawn was that Eur countries wld have to exploit their own capabilities to the limit. SecState continued it was understood AustGovt was powerless act in certain spheres notably re diversion of Aust assets in East Zone by Soviets and continuing demands for occupation costs. Nevertheless Aust-

---

[1] Drafted by Imhof and cleared with Williamson, Perkins, Collins, and E.P. Allen. Repeated to Paris and London.

[2] This meeting took place in the Department of State at 11 a.m.

Govt cld take action in other spheres particularly along lines suggested by MSA Vienna Jan 7 ltr [3] to which no reply had been recd to date. Aust Govt shld also arrange for completion of dol diversion investigation which appeared to be blocked by refusal of Creditanstalt to allow inspection of files of its subsidiary in Switz. SecState recalled original agmt between US and AustGovt to undertake investigation. Since Congress was informed about allegations of dol diversion, incompletion of investigation wld result in unfavorable publicity which might have far-reaching consequences. [4]

The [*In*?] reply to SecState's statement Figl first took up treaty, requesting Ger settlement shld not precede Aust settlement. Different course wld have unfavorable political effects in Austria by strengthening Pan-Germanism and extremism in gen.

Re econ reforms Figl remarked polit stability depended on maintenance of coalition of two major parties opposing each other on important econ issues. Maintenance of coalition therefore entailed compromises re econ legis, and compromises now more difficult to reach than during earlier period of reconstruction. AustGovt nevertheless had reached agmt on most points recommended by MSA. Final reply to MSA ltr delayed by problem of export controls and by inability provide funds for agri subsidies for second half 1952. Chancellor said main problem re export controls was to cut red tape. Re agri subsidies AustGovt prior to his departure had already agreed raise 360 million through increased taxation. Area of disagreement thus confined to 140 million schillings. Figl expressed hope he wld be able make final reply to MSA ltr during his stay in Wash.

Re dol diversion Figl assured SecState AustGovt determined to complete investigation. Figl informed SecState about transfer Creditanstalt shares to Berger and said he was disappointed hear during London visit that accountants still unable obtain access to Limor records. Figl said he had given instructions immed to institute bankruptcy proceedings against Limor. Without going into technical legal aspects in Switz, Figl rptd assurance AustGovt wld press for completion of investigation but wanted prevent this investigation from becoming polit football which wld only aid extremist groups.

---

[3] Not found in Department of State files.

[4] As a result of a report by the Joint Congressional Committee on the Economic Cooperation Administration (ECA) issued in May of 1950, which severely criticized the ECA and Austria for the dissipation of ECA aid and Austria's own dollar resources, the United States recommended that the Austrian Government investigate these allegations with the assistance of an American certified public accounting firm.

SecState replied he was gratified hear AustGovt proposed to take vigorous action re investigation and econ reforms and hoped this cld be accomplished soonest.

In subsequent statement to press, Figl said Aust situation had been discussed in gen with specific emphasis on treaty problem. No mention made of econ problems.

After call on SecState Figl was recd by the President. [5] During half hour discussion SecState reiterated Figl's request that Ger settlement shld not precede Aust settlement, and President agreed. President commenting on courageous resistance Aust people recalled earlier invasions of Austria from East which were repelled and assured Austria of continued US support. Figl expressed gratitude for US moral and polit assistance emphasizing that US aid has made Aust resistance possible.

ACHESON

[5] This meeting took place in the White House at noon on May 13.

No. 801

Conference files, lot 59 D 95, CF 107

Memorandum of Conversation, by Peter Rutter of the Office of Western European Affairs [1]

SECRET WASHINGTON, May 14, 1952.

Participants:

Austria	*United States*
Chancellor Leopold Figl	George W. Perkins
Ambassador Max Loewenthal	James C. H. Bonbright
Dr. Wilfred Platzer, Counselor, Austrian Embassy	Francis T. Williamson
	Homer M. Byington, Jr.
Wilhelm Goertz, Austrian Embassy	V. Lansing Collins, Jr.
	Harris P. Dawson, Jr.
Dr. Martin Fuchs, Counselor, Austrian Foreign Office	John M. Kennedy
	Edgar P. Allen
	Peter Rutter
	Harold Linder

Mr. Perkins referred to the Secretary's expressions of admiration and confidence both in the Chancellor personally and in the Austrian Government. If the Chancellor agreed he would proceed to a dis-

[1] Drafted by Rutter on May 27.

cussion of two remaining matters not covered in the discussion between the Chancellor and the Secretary the previous day. [2]

Mr. Perkins stated that the U.S. was not satisfied with the policy of the Austrian Government in the field of restitution. He referred to the fact that certain social security benefits and pensions were not being paid to Austrians living in the U.S. and that certain claims of American citizens had not been accorded the same treatment by the Austrian Government as the claims of citizens of other countries.

The Chancellor replied that restitution had been a difficult problem for his Government since the end of the war. The Austrians have striven to maintain a balance between the claims against them and the funds available to settle these claims. From the start they had tried to ascertain how much money was involved and to set up an effective system for dealing with claims. While the validity of most claims was recognized, no foreign exchange had been available for transfer of funds abroad. In the interests of equality and justice further changes in the restitution laws were necessary. The Chancellor was hopeful that a solution might be reached in the near future which would take into account the avoidance of detrimental political effects and the slim Austrian resources. He wished to emphasize that the biggest claims were from the Soviet Zone where the German assets problem was not yet settled. He gave several examples of instances in which the Government had gone as far as the Soviets would permit them.

Mr. Perkins acknowledged these difficulties but expressed the view that they should not prevent some action with regard to pensions for Austrians living within the U.S. Mr. Linder added that the U.S. should receive the same treatment as Austria accorded the Swiss Government. On this point the Chancellor said that no Austrians in Switzerland had received funds but that reserves had been set up. He hoped that by the end of 1952, if the Austrian situation allowed, an equitable settlement in this field would be worked out.

Mr. Perkins regretted the necessity of taking up the unpleasant subject of the dollar diversion investigation. In view, however, of the Israelis' broadcast about this matter on NBC this morning, it was necessary to deal with the question. He then distributed copies of Israels' report and read the additional remarks made by the NBC New York announcer.

The Chancellor declared that the Israelis' statement was not even close to the truth. His Government had no intention of hiding

---

[2] For a summary of this discussion on May 13, see telegram 2859 to Vienna, May 14, *supra*.

anything in the investigation as it applied either to the Creditanstalt or to the other banks. The Oberate Rechnungshof, which was responsible only to Parliament, was in charge of the investigation and had hired the American accounting firm of Anderson and Company. The final report was not yet available but only an interim report. Limor remained the gravest point since it had not yet been possible to complete a survey of that firm's records. This matter hinged on the Swiss criminal law. The Austrian Government had done everything, including giving a Swiss lawyer, Dr. Berger, power of attorney to negotiate with Meyer, the sole Limor Board member. When the Chancellor had learned that Meyer would not make the records available to Berger, he had cabled Vienna May 9 from London instructing Berger to put Limor into bankruptcy if necessary. He wished to assure the U.S. that no stone would be left unturned to complete the investigation. On the basis of available information, he assumed the total diversions in all banks amounted to only several hundred thousand dollars. (He had first said $500,000 and then on Dr. Fuchs' advice, corrected the amount). He wished to uncover everything but could not consent to push the investigation to the point where it would bring on a political scandal which would endanger political stability. There was danger that additional publicity would bring the Soviets into the matter. The sums involved do not justify a threat to the coalition. If the coalition should break, the results achieved by all U.S. aid would be endangered. We considered that the country was at stake and not just individuals.

Mr. Perkins said that the U.S. was gratified with the Chancellor's remarks to the Secretary on his determination to complete the investigation. In view of the publicity it was necessary to prepare a statement on the subject and he wished to inquire what the Austrian Government wished to say. He thought it necessary to remind the Chancellor that the matter would have political repercussions in the U.S. as well as Austria. Because the Israelis' report had been received only 10 minutes before this meeting, no statement had been prepared.

Ambassador Loewenthal remarked that both Austrian parties were involved. The Chancellor added that the affair had become a political football because only one bank and its principal director had been singled out in the publicity. Public confidence in the bank would be shaken; capital flight induced and the schilling would be weakened. He proposed a statement to say that the Israels' report was exaggerated, that a full statement could not be issued until the final report on the investigation was ready and that it should be denied that any ultimatum on aid had been given. In reply to Mr. Perkins' question as to whether the bankruptcy proceedings

against Limor would be published now, he said the interested parties would be informed but not the public.

Ambassador Loewenthal described the publicity as "a unilateral bomb". Before the People's Party felt impelled to reciprocate (i.e., attack the Socialists), the Chancellor wished to quiet the present publicity. His idea of a draft press release was: that such investigations were routine in other ERP countries, that the investigation will be fully carried out and that an ultimatum on aid had not been issued.

Mr. Perkins asked if the Chancellor would mention any figure of funds diverted in the public statement. With respect to any ultimatum it should be borne in mind, he said, that Congress will want to know why strong action had not been taken in this case. Dr. Fuchs suggested that the press release touch on the fact that the irregularities took place in the early part of U.S. aid and that Austrian administration is now better able to prevent such practices.

At this point Mr. Perkins remarked that according to information received from our Embassy in Vienna, the Israelis' story was based upon a report printed in the Socialist paper *Weltpresse*.[3] Ambassador Loewenthal replied that this information substantiated his belief that one party had made an attempt to embarrass another party. If the names of persons involved were publicized, the issue would be much more dangerous. He would advise the Chancellor to issue a statement as follows: 1) This was a routine investigation; 2) The results were not yet available but would be given to the U.S. when established; 3) No ultimatum was under consideration; 4) Only small sums were involved. Mr. Perkins declared that we could not agree to the fourth point and that before a U.S. press release was prepared the Department would have to consult with the other U.S. agencies involved. It was then agreed that several persons on both the U.S. and the Austrian side would remain after the meeting to draft the two press releases. The Chancellor informed Mr. Perkins that he had no other matters of sufficient significance to warrant discussion at this time.

Mr. Perkins then asked if the Limor record would be available if the firm was put into bankruptcy. The Chancellor replied that they would be available to a Swiss court but not to the Anderson accountants. He thought the Swiss courts would take appropriate remedial action in accordance with their established procedure. He still hoped that the threat of bankruptcy would be sufficient to produce the records. The main concern of the Austrian Government was [that] the publication of the names of individuals should

[3] The *Weltpresse* articles releasing the story of the ERP fund scandal appeared in the May 13 issue of the newspaper.

not occur because this action would produce a political upheaval. His Government wished to clear up the situation but not at the price of political retrogression. He was apprehensive that the situation would deteriorate further after the press release had been made. He wished to thank Mr. Perkins and all those present for the frank discussion in the meeting. He would keep the Department posted on the latest developments and reiterated that the Austrian Government did not wish to gloss over any irregularities but only to avoid a scandal. Mr. Perkins stated he fully understood the Chancellor's position and that he regretted the trouble which this incident had caused. The Chancellor said matters like this were all part of a politician's life. In the words of an Austrian saying, "If bricks fall anywhere in the world, some of them must fall on Austria."

A copy of the Austrian and U.S. press releases, to be used only if needed, is attached. [4]

[4] Not printed.

No. 802

Conference files, lot 59 D 95, CF 107: Telegram

The Deputy Director for Mutual Security (Kenney) to the Mutual Security Agency Mission in Austria [1]

SECRET PRIORITY WASHINGTON, May 15, 1952—8:24 p.m.

Musto 370. This is joint State/MSA message.

1. At dinner for Figl, May 14, [2] Austrian Ambassador told Secretary of Gruber view that *Weltpresse* article [3] had created critical situation for coalition and need for helpful action on our part. When asked what we could do, Loewenthal urged calling off investigation. Figl overruled him but supported recommendation that $11 million be unblocked and counterpart released.

2. In further conferences May 15 with Harriman and MSA officials, [4] (fuller cable [5] also coming on this meeting) Figl reiterated

[1] Drafted by Rutter and H. Cleveland; cleared with Perkins, L. Gordon, and Kenney. Repeated to Paris for Draper.

[2] The dinner was given by Secretary and Mrs. Acheson at the Anderson House at 8 p.m. in honor of the Chancellor and Mrs. Figl.

[3] Reference to the *Weltpresse* articles of May 13 releasing the story of the ERP fund scandal.

[4] The meeting with W. Averell Harriman and other MSA officials took place at 10 a. m. at the Mutual Security Agency.

[5] Reference to Musto 371, *infra*.

his anxiety and urged that some favorable action re 11 million dollars and counterpart funds would have to be taken to disprove reports that "ultimatum" had been delivered. The Department is concerned by Figl's statement that coalition seriously endangered. We continue believe coalition is essential Austrian political stability and see no alternative. Department and MSA rely therefore on your judgment as to how much pressure can safely be put upon coalition in order to complete investigation and insure remedial action without endangering coalition and financial stability. Dept and MSA believe, furthermore, that settlement can best be worked out by you in Vienna where you can consult both elements of coalition. We realize that greatest caution is called for. FYI Figl already intimated he may return Vienna immed when informed that MSA/W and Dept would base policy on your estimate of situation.

3. From talks with Figl we gather he regrets his weakness in not pressing investigation though he apparently thinks we are making tempest in teapot over what he seems to regard as small scale irregularities which occurred years ago. We believe he now understands gravity of situation and sincerely wishes to wind up investigation. We are inclined to doubt his ability to do so. (Do we understand correctly that accountants will make no further efforts to get into records of Creditanstalt subsidiaries besides Limor, especially Warentreuhand?) Consider therefore Figl must return to Vienna before solution can be found.

4. Action problems involved seem to be three categories: (a) Measures proposed Embtel 3557; [6] (b) 1.2 billion schilling counterpart release; (c) $11 million allotment.

5. Re counterpart release, you are authorized negotiate with Austrians to secure maximum performance and/or new and explicit assurances on subjects outlined Meyer–Figl letter, [7] before finally releasing counterpart. Ambassador is authorized to make public statement that he has instructions which will make it possible to release 1.2 billion schillings of counterpart on fulfillment of satisfactory conditions and agreement as to specific uses. Austrians request you coordinate public statement this subject with Austrian Government. If asked whether Limor is one of conditions, you can answer in negative.

---

[6] Telegram 3557 requested the Department of State's views on several "punitive measures" that could be utilized if satisfactory results were not realized soon in the dollar diversion scandal investigation, such as the withdrawal of U.S. funds from the Creditanstalt, the exclusion of Creditanstalt from financing operations related to the Export-Import Bank cotton loan, and the elimination of the Creditanstalt from MSA-financed import operations. (863.10/5–1052)

[7] Not found in Department of State files.

6. Re $11 million allotment, would appreciate your recommendations re timing and conditions this allotment. We believe that bargaining power involved in this allotment should be used to fullest to elicit performance and economic-financial reforms and press investigation to conclusion. We are not prepared now to specify precise conditions under which $11 million allotment would be made, but urgently request your views and recommendations thereon.

7. Cable will follow [8] re proposals Embtel 3557.

KENNEY

[8] Not further identified.

No. 803

Conference files, lot 59 D 95, CF 107: Telegram

The Deputy Director for Mutual Security (Kenney) to the Mutual Security Agency Mission in Austria [1]

SECRET PRIORITY WASHINGTON, May 15, 1952—8:24 p.m.

Musto 371. This is joint State–MSA message. At meeting between Harriman and Figl today, [2] there were following developments: (meeting attended on Austrian side by Figl, Loewenthal, Fuchs, Platner, Goertz; on US side by Harriman, Kenney, Perkins, Martin, L. Gordon, Cleveland, Imhof, Allen).

1. Counterpart. During his opening statement, Figl referred with gratitude to MSA "announcement" in *New York Times* "that 1.5 billion schilling of counterpart had been released." Harriman and Kenney made clear that (a) no formal announcement had been made; (b) way had been cleared under internal US Govt procedures (NAC, etc.) for release of 1.2 billion schillings but actual release depended on discussions and negotiations in Vienna regarding conditions of release and uses to which counterpart would be put. Specific mention was made, in connection with conditions, of points brought out in Meyer–Figl letter of January 7 [3] relating to control of inflation and other matters. Throughout meeting Austrians pressed for announcement here, while Figl is in Washington, of release of 1.2 billion counterpart, but Kenney and Perkins reiterated several times US unwillingness transfer negotiations on terms and

[1] Drafted by H. Cleveland; cleared with Collins, Kenney, Perkins, and L. Gordon. Repeated to Paris.

[2] The meeting took place at 10 a.m. at the Mutual Security Agency.

[3] Not found in Department of State files.

conditions of counterpart release out of hands of US element in Vienna.

2. Figl and Loewenthal raised question of 11 million dollar allotment. Austrians were under impression withholding of 11 million was tied entirely to Limor problem. Kenney in reply did not tie 11 million allotment to Limor specifically but stated MSA not in position to make allotment at the moment in light of generally unsatisfactory Austrian economic situation. Mention was made in this connection of dollar diversion investigation, budgetary problem, lack effective credit control, and need for improvement foreign trade and exchange controls.

3. Bulk of meeting was taken up with discussion of banking investigation, reasons for inability complete investigation, and Austrian proposals for dealing with political and public relations problems presented by radio and press reports from Vienna in last two days. Essential points of discussion were:

a. Matter first raised by Harriman who cited long history of investigation of "irregularities" and reference to effect on Congressional and other US opinion of lack of vigorous action in this by Austrian Govt.

b. Figl said repeatedly that Austrian govt was doing everything within its legal power to assist investigation to its completion. Measures taken include threatening Limor with bankruptcy proceedings, and instruction by Gruber to Austrian Minister in Bern to approach Swiss govt to make special exception to its laws so that Limor accounts could be made available to auditors.

c. Figl said that since situation had unfortunately blown up in radio and press comment, matter was now so serious as to threaten coalition, in spite of fact that irregularities were "probably less than one-tenth of one percent of funds involved." Later in meeting, Loewenthal spelled out internal political problem by hinting that if situation developed so as to point finger at Creditanstalt as organ of People's Party, latter would have no alternative but to point finger in return at irregularities in Laenderbank, and whole basis of mutual confidence necessary for coalition would be in serious jeopardy.

Harriman made it very clear that US could not assist or condone any attempt to conceal or "whitewash" any irregularities regardless of size. US reps did not comment on Austrian figure of one-tenth of one percent.

d. Figl emphasized need to take decisive action to show world that—referring to the alleged "ultimatum" from the U.S.—"there is nothing to these reports" and that friendship between US and Austrian govts is not affected by them. He referred again not only to political repercussions but to economic problems that would flow from a public scandal (runs on banks, unemployment, etc.). While Austrian govt not interested in hiding anything, Figl said it could not afford to let details of this matter become public knowledge.

e. There was considerable discussion of why Austrian govt did not have sufficient authority to force disclosure of Limor accounts

to auditors. US reps asked, in various different ways, why Creditanstalt could not control its own subsidiary, and why Austrian govt, which owns Creditanstalt, could not force it to take necessary action. Figl made clear that Board of Creditanstalt was hired by and could be fired by Austrian govt, but that problem was matter of Swiss law restricting disclosure of Limor accounts. He attributed some difficulty to loophole of Austrian Nationalization Law under which Creditanstalt is controlled. Austrian reps handed Harriman copy of legal opinion by Swiss law indicating the technical difficulties involved. Harriman however emphasized that a bank can find out what is going on in its own subsidiary if it wants to. He added that it would be very useful if Austrian govt took steps to eliminate from picture individuals responsible for the irregularities, as soon as sufficient proof of irregularities is available.

4. Basic Austrian suggestion was this: Since people in Austria now believe, as result of press and radio reports, that US had given "ultimatum" to Austrian govt re dollar diversion investigation, problem was to prove beyond doubt that no such ultimatum had been given. This could be done by (a) releasing 1.2 billion schillings counterpart and (b) making eleven million dollar allotment, both actions being announced forthwith in order to clear up confusion in people's mind. Re dollar allotment, US reps made clear no possibility making this allotment at this time, in view of unsatisfactory state of discussions with Austrians both on economic and financial reforms and on investigation of irregularities.

Re release of counterpart, Austrians were very anxious for a public statement about 1.2 billion schillings made in Washington. When US reps made clear this could not be done, matter was left as follows: US govt will authorize Ambassador and MSA Mission negotiate with Austrians re terms and conditions of release of 1.2 billion schillings counterpart, and further discussions on this subject will be handled in Vienna. Ambassador and MSA Mission would also be authorized to make appropriate press release on status of counterpart release adding such qualifications as might be necessary. Such statement would be issued in Vienna, in coordination with Austrian govt. Throughout a somewhat confused discussion US reps tried to bring in from time to time the US interest in satisfactory conclusion of investigation and necessary remedial action, and economic and financial reforms regarding which the US has been pressing for action. In latter connection, specific mention was made by US reps on credit controls (and need to keep volume of commercial credit to January 1 level), balancing of budget (pointing out US awareness of lack of budgeted revenue to cover agricultural subsidies), and need to reform foreign trade and exchange controls. However these topics were not developed much in discussion.

At conclusion of meeting following brief communiqué was issued to press. "Chancellor Figl of Austria met with Mr. Harriman this morning. Their discussion was in continuation of many previous such conversations between the Chancellor and Mr. Harriman when Mr. Harriman was the chief Marshall Plan representative in Europe."

"The discussion covered in general terms topics affecting economic progress and development in Austria in relation to the program of American economic assistance."

Cable authorizing action to be taken in Vienna follows. [4]

KENNEY

---

[4] Upon Figl's return to Austria, a meeting was held on June 3 to reach an agreement concerning an approach to the "dollar diversion" investigation. Ambassador Donnelly gave a letter to Chancellor Figl requesting confirmation by the Austrian Government of six specific points of agreement mutually accepted concerning the conduct of the investigation. (Telegram 3782 from Vienna, June 3, 863.10/6-352) At the conclusion of the meeting, Donnelly announced to the press that a further allocation of $11 million in direct aid would be made available to Austria before June 30 and that the release of 1.5 billion schillings in counterpart funds to Austria had also been authorized; an additional .5 billion schillings was under consideration subject to further conversations with the Austrian Government. (Telegram 3783 from Vienna, June 3, 763.5 MSP/6-352) On June 9, Figl sent a reply to Donnelly answering all six points in a positive way, a reply described by the Embassy as "entirely satisfactory." (Telegram 3836 from Vienna, June 9, 863.10/6-952) The Donnelly letter of June 3 and the Figl letter of June 9 were transmitted to the Department of State in despatch 2009 from Vienna, June 10. (863.10/6-1052)

No. 804

Conference files, lot 59 D 95, CF 107

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State [1]

SECRET [WASHINGTON,] June 4, 1952.

Subject: Conversation between the Austrian Chancellor, Dr. Leopold Figl, and an officer of the Department in New York City on May 27, 1952.

Prior to his departure from this country on May 27, Dr. Figl requested Mr. Allen, the Departmental Escort Officer, to convey to you his deepest appreciation and heartfelt thanks for the opportunity which he had been given to observe, as he put it, "America at work". He appreciated the opportunity afforded to him to confer with the President and you and other Governmental leaders in the Executive, Legislative and Judicial Branches of the Government, as

---

[1] Drafted by Allen.

well as the arrangements which had been made for him to visit Williamsburg, Niagara Falls, Detroit, Chicago, Wisconsin, New York and Hyde Park. He was greatly impressed by what he termed the real spirit of democracy evidenced not only in high places in the Government but among the workers, educators, business men and others with whom he had come in contact during his brief stay in this country.

The Chancellor said that he was quite aware and deeply appreciative of the fact that his trip in the United States had been arranged to exclude talks with military leaders and visits to military installations and of the further fact that no attempt had been made to impress him with either the military or economic might of the United States. He said that it was typical of America that this should be so and that it was in sharp contrast with the normal procedure in some countries where the only purpose of official visits is to impress the visitor with the country's outstanding achievements.

In referring to his conversations in Washington with respect to economic matters, the dollar diversion investigation etc., Dr. Figl said that he had only great admiration for a country which produces leaders who (and he mentioned specifically you, Mr. Harriman and myself) on the occasion of an official visit such as his, rather than indulging in diplomatic niceties and endeavoring to cover unpleasant matters, would openly and frankly, as they did in this instance, discuss "serious questions in a serious manner". Chancellor Figl continued by saying that the Washington discussions did not detract in any measure from the pleasures of his visit but rather added to his treasure chest of experiences a keener appreciation of America and its leaders. He said that this strengthened rather than weakened his position and that he could now tell his Government "This is the way things are—this is the way Mr. Acheson, Mr. Harriman and Mr. Perkins feel about this situation; I was there and they told me. Now let's do something about it". The Chancellor concluded by stating that he could now return to Austria with renewed courage and endeavor to impress his associates in the Government and the Austrian people as a whole with firsthand information concerning the United States which would, he sincerely hoped, result in accomplishing the objectives which we all seek in Austria and result ultimately in the re-creation of a completely free and independent Austria which could then take its place beside the United States in the fight for world peace and freedom.

Mr. Allen's memorandum of the foregoing conversation is attached. [2]

---

[2] Not attached to the source text, but a copy is in file 033.6311 RA/5–2752.

No. 805

Editorial Note

On June 22, Secretary of State Acheson left Washington for a visit to the United Kingdom, the Federal Republic of Germany, Austria, and Brazil. He arrived in Vienna on June 29 following a 2-day stay in Berlin and met with Austrian officials and attended official ceremonies until his departure on July 1. For summaries of Acheson's numerous conversations in Vienna during this time, see telegrams 8 and 23, *infra* and Document 807. A detailed 23-page report of Acheson's visit to Vienna was transmitted to the Department of State in despatch 56 from Vienna, July 10. (110.11 AC/7-1052) For text of Acheson's remarks concerning his trip upon his departure from Washington and following his return, see Department of State *Bulletin*, July 7, 1952, page 6, and *ibid.*, July 28, 1952, page 132. In a letter to President Truman, transmitted in Actel 3 from Vienna, June 30, Acheson reported that "Vienna is lovely. The weather has been beautiful and I have enjoyed seeing the city. We have had a very warm spontaneous welcome from crowds wherever we go even in the Soviet Zone as we passed through on the train from the airport. We have transacted no business whatsoever but have had a very heavy schedule of official calls, receptions and the like." (711.11 TR/6-3052) For Acheson's account of his trip, see *Present at the Creation*, pages 658–670.

No. 806

110.11 AC/7-152: Telegram

The United States High Commissioner for Austria (Donnelly) to the Department of State [1]

SECRET VIENNA, July 1, 1952—7 p.m.

8. Pass President Truman. Secretary's visit was an outstanding success. Austrian Government exceeded even traditional Viennese hospitality in program which was designed primarily to honor United States Secretary of State but which resulted also in series of personal tributes to Secretary and Mrs. Acheson. Although for security reasons no local itinerary was given out in advance thousands of Austrians residing in the Soviet Zone gathered at railroad

[1] Repeated to Rio de Janeiro for Secretary Acheson. A handwritten note on the source text indicates that this telegram was passed on to the White House on July 2.

stations along the route to greet the Secretary. This without precedent in Vienna postwar period, and is further evidence of the strong pro-United States sentiment in Soviet Zone.

Secretary and Mrs. Acheson greeted at Tulln by Foreign Minister and Mrs. Gruber who accompanied them on train to Vienna. Chancellor Figl, Vice Chancellor Schaerf and other Government officials joined by thousands of Austrians, extended a warm welcome to Secretary and party upon arrival in city. Although a large part of population had taken advantage of beautiful day to visit Vienna woods and surrounding localities, other thousands lined streets from railway station to Embassy residence where Secretary and Mrs. Acheson stayed during their visit.

Much heralded Communist hate demonstration against Secretary failed completely to materialize due no doubt to recognition that public sentiment was predominately favorable to Secretary's visit. Although Secretary made number of public appearances and toured city there was no single hostile demonstration toward him.

Morning June 30 Secretary made formal calls on President, Chancellor, Vice Chancellor and Foreign Minister. Informal discussion these meetings being reported by separate telegrams. [2] Luncheon by Foreign Minister provided further opportunity for friendly talks with Cabinet Minister. This was followed by a tour of principal points of interest in Vienna. At Embassy garden party in afternoon, attended by approximately 1,000, including members of Austrian Government, Austrian business and civic leaders and chiefs of diplomatic missions, Secretary also had opportunity to greet all American members of Embassy staff. Soviet High Commissioner, Soviet Deputy High Commissioner and Soviet Minister, with their aides, attended. Soviet High Commissioner in brief cordial talk expressed pleasure at meeting Secretary about whom he had heard much. Following reception Secretary talked with British and French High Commissioners regarding West situation in Austria. Chancellor's dinner last night climaxed Austrian program, but Chancellor and Vice Chancellor, as well as Foreign Minister were on hand to say goodby to Secretary and Mrs. Acheson upon their departure for airport at 7:30 this morning.

Press conference held morning June 30 attended by 135 correspondents of 10 nationalities. Number included one Communist correspondent from Vienna weekly *Der Abend.* (For complete details

---

[2] Reference to telegrams 12 and 23 from Vienna, July 1 and 2, respectively. For telegram 23, see *infra*. The contents of telegram 12 are summarized in footnote 1, *infra*.

see Embassy Telegram 6 [3]). Complete radio recording made of interview furnished to local radio stations last night and radio coverage, as well as press, excellent.

It is already apparent that results of visit will be more profound and far-reaching than our most optimistic expectations. Austrians, who recently have been inclined to wonder whether world had forgotten them in excitement over Germany, are obviously stimulated by this gesture of US friendship. Visit has given government and people renewed vigor and has placed Soviets and Communists in ridiculous position in view of highly publicized plans for anti-US demonstrations during his visit. More than anything else US Government could have done, Secretary's visit and his sincere interest in Austrian affairs will renew Austrian conviction of our continued support for State Treaty and strengthened their determination to withstand Soviet pressures despite prolonged occupation.

DONNELLY

[3] Telegram 6 informed the Department of State that the text of the press conference would be transmitted to Washington. (110.11 AC/7-152) The complete text of the press conference was transmitted to the Department of State in an unnumbered telegram from Vienna, July 1. (Conference files, lot 59 D 95, CF 113)

No. 807

110.11 AC/7-252: Telegram

The United States High Commissioner for Austria (Donnelly) to the Department of State

CONFIDENTIAL VIENNA, July 2, 1952—8 p.m.

23. In conversations with Secretary, Aust officials here, for most part, anxious only for general exchange of views. Chancellor himself having expressed view that he felt it wld be more helpful for Secretary to meet Aust Govt and gain general impression of Aust situation than to discuss specific issues.

1. Federal President greeted SecState as "one of leading statesmen of a great nation with which Aust has always lived in peace and friendship." He expressed Austria's thanks for generous US aid and sent greeting to President Truman.

In reply Secretary expressed appreciation for hospitality shown him by Govt, emphasized common cultural heritage which linked two countries and said this bond was further enriched by recent visits to US of Chancellor Figl and Vice Chancellor Schaerf.

Secy also paid tribute to progress made by Aust in time of trial which has strengthened morale of other peoples who are also under pressure.

2. Call on Chancellor was concerned primarily with his report on Govts action in econ field along lines discussed during his Wash visit (Embtel 12 July 1 [1]). Figl expressed Aust gratification with Secy's visit which was proof that Aust cld count on US friendship.

Secy expressed his appreciation for progress made by Aust Govt on econ problems and assured Chancellor of continued US interest in Austs development.

3. Vice Chancellor Schaerf expressed appreciation for Secy's visit and attached greatest importance to spontaneous public acclaim for him. Schaerf also considered it significant that Commies had dropped plans for anti-US demonstrations at last minute because of Sov instructions and because Commies realized overwhelming majority of public against them (Embtel 4074 June 30 [2]).

4. In talks with FonMin, Gruber inquired re US views on Austs admission to UN, with particular reference to "bloc" admissions, Secy replied that matter was under constant study, but pointed out difficulty of reaching general agreement on this question. Discussion then turned to State Treaty and it was suggested as next move West powers shld send Sovs another note. Possibility of placing Treaty problems before UN General Assembly was also discussed and it was agreed Gruber wld discuss this course in greater detail with Perkins and Jessup (Embtel 22 [3]). Gruber also gave Secy his impressions of his recent visit to Tito (Embtel 4042 June 26 [4]).

5. During Emb garden party, Secy had brief but cordial conversation with Sov HICOM, who expressed pleasure at mtg personally man about whom he had heard so much. In jocular vein, Sviridov expressed hope Secy had brought peace with him, to which Secy replied that was something "we will have to do together."

6. In separate conversations after reception, both Fr and Brit HICOMs referred to West cooperation in Aust, alluded to mainte-

---

[1] Telegram 12 reported Figl's statements to Secretary Acheson concerning several problems which were discussed during Figl's visit to Washington in May. Figl noted that the investigation of the nationalized banks was now completed; the Limor investigation was begun; and the final reply to the MSA letter of Jan. 7 concerning fiscal policies was ready for his signature. (110.11 AC/7-152)

[2] Telegram 4074 noted that Schaerf told Secretary Acheson that the Austrian security police had learned that local Communists received orders on June 29 from the Soviets instructing them not to interfere with his visit. (110.11 AC/6-3052)

[3] See footnote 1, *infra*.

[4] Telegram 4042 summarized the results of Gruber's visit to Belgrade beginning on June 19. Gruber, impressed with the cordiality of his reception and the frankness of the discussions with Tito, told Embassy officials that the results of his trip could be measured more in better relations between Austria and Yugoslavia than in agreements reached during his meetings with Yugoslav officials. (663.13/6-2652)

nance and possible augmentation of West forces here, with concomitant problem of occupation costs, with Payart particularly stressing Fr need for further occupation funds. Both Caccia and Payart inquired re Secy's impressions on general situation, to which Secy replied that in his opinion there were no symptoms at present indicative of early dangerous developments.

DONNELLY

No. 808

663.001/7-252

The Ambassador at Large (Jessup) to the Deputy Under Secretary of State (Matthews)

SECRET

PARIS, July 2, 1952.

DEAR DOC: George Perkins and I thought it would be useful if I sent this letter to you and Jack Hickerson supplementing the telegraphic report from Vienna [1] on the conversations with Foreign Minister Gruber concerning the Austrian plans for getting the question of the Austrian Treaty before the United Nations. We left Vienna before seeing the telegram reporting on these talks and I do not know how much detail has already been given to you. However, since the Secretary told Gruber that he would have our experts begin to consider this matter immediately, this letter may be of use.

Gruber raised the question on several different occasions. He talked with George Perkins briefly and with me at some greater length on the first evening we were in Vienna. In the conversation with me Mr. Vollgruber, the Austrian Secretary General for Foreign Affairs, participated. He raised it again with the Secretary during the Secretary's call on him the next morning. After Gruber's lunch on that day, George Perkins, Dowling and I stayed on for an extended talk with Gruber and Vollgruber.

The essence of their position is that they need to keep up some activity in connection with the Treaty in order to sustain the morale of the Austrian people. In this connection, George mentioned that we might have to send another note to the Soviets asking them why they did not reply to our two inquiries about the short form of the Treaty. Dr. Gruber thought that it would be helpful, but not enough. He believes that a simple resolution adopted

---

[1] Reference to telegram 22 from Vienna, July 2 (663.001/7-252), which summarized the discussions with Gruber, reported in more detail in this letter to Matthews.

by the General Assembly calling on the Four Powers to get ahead with the Austrian Treaty as a contribution to international peace would be useful. He is not too hopeful that this would have an effect on the Russians, but did comment on the fact that they do not like publicity about their stand on the Austrian Treaty. In the course of one of his talks with me he referred rather vaguely to the possibility of some further action in the United Nations in 1953.

The Austrians have gone rather far with their diplomatic preparations. They hope that a resolution would be sponsored by a group of States which are neutral in this question. They are sending someone to discuss the matter in Delhi, Karachi and the Arab States. They count on Sweden's support and apparently received assurances during his recent trip to Yugoslavia that the Yugoslavs will support. Gruber himself or someone in his place will make a tour of Latin America soon to enlist Latin American support. The Austrians had considered asking NATO countries to join in sponsoring the Resolution but had decided this would not be desirable. They would, of course, expect all of the NATO powers to support the Resolution when it was introduced.

I reminded Gruber of the Syrian-Mexican Resolution and pointed out that it would require careful planning to make sure that if the group of States he has in mind introduced a Resolution on the Austrian Treaty, someone did not broaden the Resolution in such a way as to decrease the emphasis on the Austrian case. I suggested also that sponsoring States would need to be briefed on the importance of not allowing the Russians to complicate the issue by introducing an amendment on Trieste for example.

In regard to procedure, we also discussed the fact that the German elections item in the last Assembly was based on our transmittal of Adenauer's letter. We raised the question without answering it whether the Austrians should write a letter which could be transmitted. In this connection Gruber said that they were going to send a communication to all members of the UN giving a factual summary of the whole history of the Austrian Treaty negotiation. This statement will not be argumentative but will survey all of the various negotiations and proposals. He indicated that it would be relatively brief since he said it would not be in the nature of "a White Paper".

We also discussed the time at which the item should be put on the agenda. I was somewhat hazy in my recollection of the rule, but Vollgruber said they understood the dead-line for the written submission of items was in the middle of August. Gruber thought this gave them very little time to perfect their plans. We discussed a little bit the question of putting it on later as an emergency item,

noting in this connection the question whether a two-thirds vote would then be necessary.

We also discussed the kind of debate which would be most helpful to Austria if the item were put on the agenda. Gruber seemed to think that a clear statement of the record of the position of the Three Powers would be helpful, but I thought that he had a hope that we would not get the debate into bitter recrimination.

We discussed also the question whether the Austrians would request permission to appear and make a statement on their own behalf. They had not thought much about this and on this, as on other points, would welcome our advice.

Since they are in any case moving ahead rather rapidly with their discussions with other countries, and since the Secretary assured Gruber that we would give the matter immediate attention and then consult with them further, I hope that the Department will examine all of the angles mentioned above, and any others which occur to them, and then go over the details with the Austrians either in Washington or in Vienna.

One further point. George Perkins asked Gruber whether he had consulted with the French and British. Apparently they have not done so but we urged them to do it since we thought our three Delegations in New York would undoubtedly discuss this matter.

Sincerely yours,

PHIL

No. 809

763.00/7-1552

The United States High Commissioner for Austria (Donnelly) to the Deputy Director of the Office of Western European Affairs (Williamson)

CONFIDENTIAL PERSONAL VIENNA, July 15, 1952.

DEAR FRANCIS: As my mission to Austria comes to a close [1] I wish to thank you and your colleagues for the excellent coopera-

---

[1] On July 10, President Truman approved the appointment of Walter J. Donnelly as the new U.S. High Commissioner for Germany, following the resignation of John J. McCloy, who asked to be relieved of his responsibilities effective July 21. President Truman also approved the appointment of Llewellyn E. Thompson, Jr., as Donnelly's replacement in Austria. (Memorandum by William J. McWilliams, July 10, 1952, Secretary's Memoranda of Conversation, lot 65 D 238, "Memoranda of Conversations with the President—1952") These appointments were announced on July 18. For the Department of State press release, see Department of State *Bulletin*, Aug. 4, 1952, p. 178.

tion, without which it would have been difficult, if not impossible, to attain our objectives. The loyalty and support I received from members of the backstop and Department and the staff in Vienna will always be a source of a great satisfaction to me, and the most that I can hope for is that I shall receive similar assistance during my tour in Germany.

My admiration for the Austrian people is matched only by yours. I have great respect for such men as Figl and Schaerf and I admire them for the sacrifices they have been called upon to make to maintain the coalition government. I am confident that the coalition will continue under Figl and Schaerf, but I would not be so optimistic about the continuation of the coalition if they were to be removed and replaced by persons motivated only by political forces. I see no indication of a change in the near future, but it is something that we should watch carefully and not hesitate to express our views in the event that we see any evidence of it being dissolved. While I am hopeful that the coalition will survive I can only foresee troubles in the political arena from now until the elections in the fall of 1953.

I am not satisfied with the economic program of the government and although Kamitz is interested in improving the economy of it I do not feel that he is receiving proper support from the major political parties. As regards the banking investigation and allied subjects I am of the opinion that we will have further trouble with the government on this score and that it will be necessary for us to deal with this and other economic problems for some time to come. We should insist that the Government fulfill their promises to us and effect certain economic reforms.

The amnesty, restitution and heirless property problems are being actively considered by members of Parliament but I am fearful that they may pass legislation which we may regard as inadequate and may necessitate our vetoing some of the constitutional laws in the Allied Council. I have discussed these problems with the Austrian Government officials and have urged them to adopt a realistic attitude. We have made some headway with respect to restitution for persons affected by Nazi persecution and on heirless property but as it now stands they will probably receive treatment inferior to that accorded to ex-Nazis. The reason for the proposed discriminatory treatment lies in the fact that the political parties estimate that there are some 500,000 voters who favor special treatment for former Nazis. I was encouraged today to receive a report from Irving Brown, European representative of the American Federation of Labor, who said that he had been instructed to ask the Austrian Federation of Trade Unions to use their influence for the

passage of adequate legislation for all persons adversely affected by Nazi persecution.

As regards the Soviets I see no indication of their intention to sign a State treaty and evacuate Austria along with the Western Allies. I am still of the opinion that they wish to maintain the *status quo* here, continue to exploit the Austrian people and to undermine our position in Austria. The Communists have not gained in popular favor, but they might make some headway if the economic situation worsened with a resulting increase in unemployment. I feel that the Soviets wish to avoid war and that they are confident they can achieve their goal of world revolution by the economic collapse of the Western nations. I firmly believe that it should be our policy to expose the Soviets at all times, to take the offensive on propaganda and to hurt them where it hurts most, such as the imperialistic USIA organization, the USIA retail stores, violations of the freedom of the press and unilateral arrests of persons whom they consider to be anti-Soviet. The Austrian Government officials deserve only the highest praise for their resistance to the Soviets and we should continue to give them our full support in any efforts to hold the Soviets at bay.

The foregoing is a brief summary of my impressions of the outstanding issues in Austria and I hope that they will be of interest to you.

Again my most sincere thanks to you and your colleagues,

Sincerely yours,

WALTER

No. 810

663.001/7-1852: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State

SECRET Moscow, July 18, 1952—5 p.m.

129. With regard to possible placing of Austrian Treaty problem before UNGA, wld make fol observations:

(a) Sovs presumably shy at prospect of Aust settlement in advance of Ger settlement for reason that they wld thereby not only lose occupation rights in Aust but also right to milit communication lines thru Rumania and Hungary, whereas we wld continue to sit on Aust border with our forces in Bavaria. Line of communication rights in Hungaria and Rumania are important to them because they have taken public position against milit bases or troops

stationing on foreign soil and wld be embarrassed to find grounds consistent with this position for continued retention Sov forces Rumania and Hungary if communication rights shld cease to exist.

(b) As general proposition, believe Sovs wld like to reserve position on Aust until they know roughly what shape Ger settlement is to take. Their position in Austria represents card in their hand which they might wish to play in final phases of Ger settlement.

(c) Therefore, however disinclined we may be to recognize connection between Aust and Ger problems, Sov will presumably continue to think of them as part of one single problem, and their reactions are not apt to be intelligible unless viewed in this light.

(d) Whether, in light of these facts it is desirable to try to embarrass Sovs and place ourselves in favorable light by raising treaty question in UN is one which cannot be answered from here. Whatever advantages this might or might not hold from standpoint of Western opinion, I see no reason to hope that it wld cause any particular concern to Moscow or to have any appreciable effect on Sov policy. If there are to be any changes in this policy, they will come for other and more practical reasons.

KENNAN

No. 811

663.001/7-2452: Telegram

The Secretary of State to the Embassy in Austria [1]

SECRET WASHINGTON, July 25, 1952—6:25 p.m.

254. Dept plsd note favorable Brit reaction Gruber's proposal refer Aust quest to UN (London's 460, rpt to Vienna as 12 and Paris 103 [2]) as well as Gruber's concurrence US views (Vienna's 225 [3]). Plsd also note Gruber declined Nehru offer approach Sovs on treaty.

London and Paris requested discuss with FonOffs and inform them our views which are:

---

[1] Drafted by E. P. Allen and cleared with Perkins, Byington, Jessup, Wainhouse, Land, Kidder, and Linde. Repeated to London, Paris, Moscow, Rio de Janeiro, and Bonn for Reber.

[2] Telegram 460 reported that the Foreign Office had no objection to Gruber's proposal referring the Austrian Treaty problem to the General Assembly and agreed with the desirability of securing the offices of neutral states to raise the question. (663.001/7-2452)

[3] Telegram 225 stated that Gruber was pleased with the initial U.S. response to his proposal. It also noted that Gruber declined Nehru's offer to approach the Soviets regarding the treaty although Gruber hoped that the Indians might take the initiative in the General Assembly. (663.001/7-2452)

(1) While Dept willing provide assistance and support matter in UNGA it believes initiative to bring about consideration case in UN must come from Aust Govt. As soon as sponsors agreed upon by Aust and three Western Powers, Aust to make direct approach to prospective sponsors to submit item on agenda.

(2) Dept believes it preferable that matter be sponsored in UN by group of states, say three or five in number, rather than single state in order broaden base of support and give appearance widespread interest in matter. Dept considers it essential sponsors be states in sympathy with West objectives in Aust who can be counted upon coop with West in controlling matter in UN. Also preferable in our view at least majority of sponsors be states having dipl relations with USSR.

(3) Believe question might be appropriately submitted UNGA under Art 14 of Charter but consider reference to any specific art unnecessary.

(4) Once matter has been referred UNGA with documentation supplied by Aust, US, UK and Fr wld have opportunity give full explanation their joint efforts conclude treaty.

(5) Dept does not agree Brit FonOff speculation that item might best be submitted as amendment to another item, e.g. Sov item on strengthening peace. Such approach might give appearance propaganda gesture rather than sincere effort of sponsors and West to bring about agreement with Sovs on treaty.

(6) UNGA action shld in our view preferably take form of simple resolution recommending Aust Treaty Deputies resume negots on basis abbreviated treaty with view to early conclusion treaty and term occupation.

Upon receipt Brit and Fr views Dept wld be prepared discuss procedural details with Aust Chargé Platzer and perhaps offer suggestions as to countries which might be approached by Aust Govt with view sponsoring item in UNGA.

ACHESON

No. 812

763.00/7-2852

Memorandum of Conversation, by the Director of the Office of Western European Affairs (Byington) [1]

CONFIDENTIAL [WASHINGTON,] July 28, 1952.

Participants: Austrian Embassy—Dr. Wilfried Platzer, Dr. Ernst Lemberger, and Mr. Hans Thalberg
WE—Mr. Byington
WE—Mr. Allen

[1] Drafted by Hilton and cleared by E.P. Allen.

WE—Mr. Hilton
L/GER—Mr. Land

Subject: Press Release on the Austrian Nazi Amnesty Legislation

Dr. Platzer came in at 11:15 a.m. in response to the Department's request to receive the Department's statement setting forth its position on the Austrian Nazi amnesty legislation. A copy of the statement given Dr. Platzer is attached. [2] He was informed that the statement would be given to the press at twelve o'clock noon, for release at 7:00 p.m., EDT, Monday, July 28.

I regretted the necessity of issuing the statement and commented that the statement was necessary because of the action taken by the Austrian Government in passing this legislation prior to taking appropriate action to restore the rights of the victims of Nazi persecution. The action already taken in favor of implicated Nazis was therefore discriminatory and created a difficult situation by favoring implicated Nazis over those who had suffered at the hands of the Nazis.

The Austrian representatives expressed regret that this statement was to be released to the press, pointing out that this matter had not received wide comment in the press. It was their feeling that the issuance of this statement would provoke considerable comment on this problem. They also pointed out that such comment on the internal legislation of another Government was not usual in diplomatic relations. In the case of Austria this action appeared to raise doubts as to its sovereign status and therefore to be contrary to the policy of the U.S. in support of Austrian sovereignty. They thought that it would be much better if the U.S. High Commissioner were to carry out the policy of the U.S. by vetoing the legislation rather than to stimulate unfavorable press reaction by this means.

In response the Austrian representatives were informed that, as pointed out in the statement, the action taken by the Austrian parliament is discriminatory against U.S. interests and it is not therefore, unusual for the Department to protest this action and to make its position clear to the American public. Moreover, if the legislation is to be vetoed, it is desirable that both American and Austrian public opinion be informed of the views of this Government in order that the reasons for a veto may be understood. They were also told that this statement would not be necessary if the discriminatory situation had not been created by action of the Austri-

---

[2] Not printed here, but see Department of State *Bulletin*, Aug. 11, 1952, pp. 223–224.

an Government and that the problem could therefore be solved through action by the Austrian Government.

HOMER M. BYINGTON, JR.

No. 813

763.00/8-652

Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Assistant Secretary of State for United Nations Affairs (Hickerson) [1]

SECRET [WASHINGTON,] August 6, 1952.

Subject: Reference of Austrian question to UNGA

Dr. Gruber has discussed with the US, UK, and France his proposal to refer the problem of the Austrian Treaty to the UNGA. We have agreed in principle and have outlined some basic considerations concerning the method of presentation of this question. Dr. Gruber has accepted these views.

The British and French show a lack of enthusiasm for Gruber's proposal but realizing that he is apparently going ahead with it anyway, they are not disposed to object. Gruber is now in Brazil seeking to enlist the support of the Brazilian Government. His emissaries are also discussing the question with the Indian and Swedish Governments. In July, the Austrian Government circulated to all UN states a memorandum [2] outlining the problem and containing the text of the Austrian draft treaty, which had never been published before, as well as the abbreviated treaty which was transmitted to the Soviet Government in March 1952. It is not yet known what governments will sponsor the resolution.

Gruber's basic position, as outlined in the memorandum, holds that the conclusion of a treaty is not required to bring about the evacuation of Austria by the occupying forces. The resolution for which he is now seeking sponsors may call on the occupying powers to evacuate Austria before the conclusion of a treaty.

Such a resolution would create serious difficulties for the US. There are no present indications that the Soviet Union will conclude any Austrian Treaty prior to the settlement of the German question. In the absence of any change in the international situation which would bring about an Austrian settlement, there is no

---

[1] Drafted by E.P. Allen and Williamson.

[2] For the memorandum by the Austrian Government, delivered to the Department of State on July 31, 1952, see Department of State *Bulletin*, Aug. 11, 1952, pp. 221–224.

present alternative to a continuation of the occupation. This view may run counter to the Austrian request to the UNGA and involve us in our first difference of opinion with the Austrian Government on the treaty question. We are not opposed to withdrawal of troops from Austria. If they are withdrawn before the conclusion of the treaty, certain conditions would have to be fulfilled which affect Austrian security. It would be extremely difficult for the US to agree to withdraw our occupation forces without obtaining the completion of the program for gendarmerie training and the creation of an Austrian security force to maintain internal order. Secondly, it would seem unwise to accept Gruber's position to withdraw the occupation forces before a definitive settlement of the problem of Soviet controlled property in the Eastern Zone. Finally, it would be illogical to accept Gruber's position until definite agreement is reached in strategic planning concerning the place which Austria will occupy geographically in the defense of Western Europe.

EUR considers, therefore, that steps should be taken now to control the action of the GA insofar as possible in order that we may get results which are consistent with our own and with Austrian security interests. We believe that UN debate of this question will be beneficial since it would publicize the efforts made by the Western Powers since 1945 to conclude the treaty. A sympathetic understanding in the GA of the efforts of the Western Powers throughout the treaty negotiations might enhance the chance of an Austrian settlement on a fair basis. If support can be obtained in the Assembly for a settlement on the basis of the abbreviated treaty, the possibility of ultimate agreement would certainly not be any more remote than it appears at the present time.

It might be helpful in forestalling any effort by Assembly members to mediate our differences with the Soviet Union. We believe that any proposal for mediation would serve only the Soviet interests. While our Embassy in Moscow considers that reference of this question to the UN would not worry the Soviet Government or have any appreciable effect on Soviet policy, it might, however, have a restraining influence on Soviet occupation policy in Austria since experience has shown that they tend to avoid action which violates the agreements on occupation while the Austrian question is receiving widespread attention.

In view of the foregoing, EUR considers it would be desirable to agree as early as possible on a program for UN action and to do whatever preliminary work in the UN capitals which may be appropriate. This program should have British and French agreement. We suggest for your consideration the following:

1. The initiative for reference of this question to UNGA should come from the Austrian Government with the usual guidance and assistance on our part.

2. The sponsors should preferably be a group of states in order to broaden the base of support and to demonstrate a world-wide interest on the part of nations not participating in the occupation. Tripartite agreement on the sponsors cannot be obtained in view of the British and French attitude but the three Western Powers should have an opportunity to express their views to the Austrian Government on the prospective sponsors prior to their selection.

3. Prior to the meeting of the GA we should make our position known to various UN governments which have received the Austrian memorandum and seek to obtain their agreement to the proposal outlined in 6 below.

4. The action placing this question on the agenda should be taken in sufficient time so it is not put up as an emergency measure.

5. The original resolution should be phrased in such a way as to give the US, UK and France an opportunity to make a fully documented presentation of their efforts to conclude the treaty.

6. The maximum result we should seek to obtain should be a simple resolution by the GA recognizing the Austrian problem, pointing out that the abbreviated treaty offers a fair and equitable basis for settlement, and recommending that the Deputies begin negotiations immediately on the abbreviated treaty to secure a settlement and terminate the occupation.

EUR is attempting to find out the substance of Gruber's exact proposals to the governments which may sponsor the resolutions and will provide a full documentation on the negotiations and occupation policy for use by the US representatives as well as a brief factual "White Paper" which can be circulated to the UN members.

You may also wish to discuss with representatives of the Austrian Embassy and the Austrian Observer at the UN the procedural matters involved in this question and to give such technical and procedural advice which may be appropriate. EUR would be pleased to render such assistance as may be appropriate in this connection.

Mr. Ward Allen will represent EUR and will be glad to discuss this question with a representative of your Bureau.

No. 814

Editorial Note

On August 11, the United States delivered a note to the Soviet Ministry of Foreign Affairs through the American Embassy in Moscow urging the Soviets to make known their views on the pro-

posals concerning the Austrian Treaty submitted to them in the note of March 13. Similar notes were also delivered by representatives of the British and French Governments. Three days later, the Soviet Government sent a note to the United States in which it rejected the abbreviated treaty draft and asserted that it was ready to conclude a treaty based on the original long draft. The Department of State issued its comments on the Soviet note of August 14 in a press release dated August 18.

On September 5 the Governments of the United States, United Kingdom, and France sent a joint note to the Soviet Government replying to the Soviet note of August 14. The Western powers announced their acceptance of the Soviet suggestions by adding four previously agreed articles to the proposal of March 13, and invited the Soviet Union to a meeting of the Austrian Treaty Deputies in London on September 29 to discuss the amended draft treaty.

For text of the United States note of August 11, see Department of State *Bulletin,* August 25, 1952, page 284. For the Soviet reply of August 14 and the Department of State's comments of August 18, see *ibid.,* September 1, 1952, pages 321–323. For the joint tripartite note of September 5, see *ibid.,* September 15, 1952, pages 404–405. Documentation relating to the drafting of the various replies by the Western powers is in file 663.001.

No. 815

663.001/8–2952

Memorandum by the Deputy Assistant Secretary of State for United Nations Affairs (Sandifer) to the Deputy Assistant Secretary of State for European Affairs (Bonbright) [1]

SECRET [WASHINGTON,] August 29, 1952.

Subject: Reference of Austrian Question to UNGA

With reference to your memorandum to Mr. Hickerson of August 6 [2] on the above subject, I would appreciate your comments on several questions that have arisen in our preparation of positions to be taken by the United States in the General Assembly on the Austrian question.

As you know, the Austrian Government in its memorandum of July 31 [3] to United Nations members refers to a possible General

---

[1] Copies also sent to Williamson, Collins, E.P. Allen, and Meeker.

[2] Document 813.

[3] For text, see Department of State *Bulletin,* Aug. 11, 1952, pp. 221–224.

Assembly resolution which would call on the occupying powers to evacuate Austria before the conclusion of a treaty. Although the Austrians have, in subsequent conversations, not pressed this suggestion and have indicated that they would be agreeable to other forms of resolutions, we cannot discount the possibility that we may be faced in the General Assembly with a proposal requiring the evacuation of all foreign troops. This might arise in either of the following forms:

1. A resolution calling for unconditional and immediate withdrawal of all foreign troops from Austria might be introduced either by Egypt, with an eye on the British troops in Suez, or by some other small state in sympathy with Austria's objectives as set forth in the July 31 memorandum. Such a proposal would be likely to receive considerable support. If the Soviets have concluded that we are unwilling to evacuate Austria at this time, and in any event not until the German assets question is resolved, they might conceivably propose such a resolution themselves.

Such a proposal might be quite tempting to the Austrians. The propaganda position of the Western Powers would be highly unfavorable if they were forced to oppose evacuation while the Soviets and Austrians were supporting it.

2. It is perhaps unlikely that the Soviets would be willing to agree to the long treaty now. However, if the Soviets were convinced that we would be unable to accept such an offer, they could, for propaganda effect, propose withdrawal within 30 days on the basis of the long treaty including the Three-Power versions of the unagreed articles. The Soviets might hope by such a gesture to shift the onus for intransigence to the West, compel us publicly to renounce agreed articles, and provoke disagreement between the Western Powers and the neutralist group in the Assembly or even disagreement between the Western Powers and the Austrian Government.

In view of these two possibilities it would be useful to have answers to the following questions with respect to conditions for withdrawal as discussed in your memorandum of August 6:

1. Would the three Western Powers be able if directly challenged by the Soviets, with the support of a majority in the General Assembly, to agree to withdrawal of troops without a definite settlement of the assets problem or on the basis of the disposition envisaged in Article 35 of the long treaty?

2. It is anticipated that sufficient progress will have been made on the Austrian security force program and that a decision regarding the strategic position of Austria will have been reached in this government by the time of General Assembly consideration which would enable the three powers to agree to withdraw in a relatively short time?

3. In the event the answer to either of the above questions is negative, does the United States have assurance that the Austrian Government, if faced with the necessity of expressing its views, would be willing and able in the General Assembly to oppose with-

drawal of troops except upon conditions upheld by the three powers?

While our policies on these questions should, of course, not be altered to suit our potential propaganda position in the General Assembly, our tactics in the Assembly would seem to depend to a considerable degree upon our position on the above points.

No. 816

763.00/9-452

Memorandum of Conversation, by Joe B. Cox of the Embassy in Austria

SECRET [VIENNA,] September 4, 1952.

Participants: Ambassador Thompson
Chancellor Figl
Mr. Dowling
Mr. Cox

The conversation occurred at the Federal Chancellery on the occasion of the Ambassador's initial visit. [1]

After an exchange of amenities, a review by the Chancellor of the excellent past relations between the Austrian Government and the U.S. High Commissioner, mutual assurances of the desire to perpetuate this fine tradition, delivery of the greetings of the President and Mr. Acheson, etc., the Ambassador spoke of the great interest in and understanding of Austrian problems that he had encountered during his consultations in Washington. This interest, he felt, stemmed in part from the American admiration for the courage Austria has shown in resisting encroachments. The Chancellor reviewed his recent trip to America, [2] his reception there as Chancellor of a sovereign state, the real interest shown in Austrian problems by members of Congress and the Administration, and the renewed encouragement which he derived from his American visit.

The one point of current interest raised by the Chancellor pertained to the Austrian Government's desire to initiate negotiations for a commercial treaty with Russia. The Government hoped to take a step in this direction on the next day (September 5) and was anxiously awaiting news of Washington's reply to the Embassy's recent inquiry in this matter. The Vienna Fall Fair, at which the

[1] Thompson presented his credentials as U.S. High Commissioner for Austria and Ambassador in Austria on Sept. 4.

[2] Chancellor Figl visited the United States in May 1952.

Soviets would have an impressive display in their new permanent pavillion, would begin on Sunday, September 7, the Chancellor pointed out. It was urgent that the Government take steps to initiate negotiations on a commercial treaty with the Soviets before businessmen and public opinion forced them to do so. Once begun, the negotiations with the Soviets would be drawn out (as negotiations with the Soviets always are) and there would be ample time to arrange any conditions, restrictions, etc., desired. Any agitation from Austrian business or the Austrian public for trade with the Soviet Union to combat unemployment and poor turnovers could then be effectively countered by the Government.

The Ambassador stated that he would seek to obtain the American viewpoint as quickly as possible.

The Ambassador stated that he hoped the Chancellor would not mind if, in the interests of establishing a relationship based on frankness and directness, he were to bring up a matter which normally would not be broached during a formal visit and which he had no instructions to discuss. The Ambassador thought that the Government might on occasion derive some benefit from the frank presentation of his personal observations and impressions. (The Chancellor stated that such a relationship had always existed between the American High Commissioner and himself and that he hoped Ambassador Thompson would perpetuate this tradition.) The Ambassador then made reference to the legislation passed recently by the Austrian Parliament pertaining to indemnification of Nazi victims and restitution as well as to the problem of heirless Jewish property. He thought it would greatly benefit the Austrian Government to resolve differences in these matters as quickly as possible. Prior to coming to Austria he had been approached by representatives of Jewish groups in America. He felt that by receiving a representative of Jewish interests and reaching a settlement with them, the Government could comparatively easily avoid what might otherwise become a very unfortunate situation. Only a relatively small sum was involved. The first figure named by the Jewish representatives would of course be higher than they expected to get, but, having talked with them, the Ambassador was sure that they sincerely desired, and were anxious to obtain, a reasonable settlement.

The Chancellor pointed out that the Allied Commission had recently disapproved the Reacquisition Law and, while approving laws indemnifying prisoners of the Nazis and compensating civil servants whose promotions were blocked by the Nazis, had sent the Austrian Government a letter terming the compensation of Nazi victims inadequate, calling for the extension of such measures to include all Nazi victims irrespective of their present nationality,

and inviting the Austrian Government to correct these deficiencies within six months. The original legislation had been initiated by Parliament, not by the Government. However, the Chancellor had given instructions for appropriate draft legislation containing the corrective provisions called for by the AC to be drawn up. It was not yet decided whether this draft legislation would be introduced into Parliament as a Government bill (bills?) or as a proposal originating in the Lower House. At any rate, Parliament would convene in October, and the Chancellor was sure that the desired legislation would be passed by some time in November. As for consultation with representatives of Jewish interests, the Chancellor had already made this proposal in the Cabinet once. He proposed to advance it again at the next Cabinet meeting and had every reason to believe that this time it would be accepted.

No. 817

763.00/9-452

Memorandum of Conversation, by Joe B. Cox of the Embassy in Austria

SECRET [VIENNA,] September 4, 1952.

Participants: Ambassador Thompson
Vice Chancellor Schaerf
Mr. Dowling
Mr. Cox

The occasion of the conversation was the Ambassador's initial visit which followed immediately his initial visit to the Chancellor. [1]

After a complimentary exchange paralleling that with the Chancellor, the Ambassador expressed the hope that a sincere, frank and fruitful relationship could be established.

The Vice Chancellor, speaking for himself and his party, assured the Ambassador of full support and cooperation. He linked the political situation in present day Austria to that in the Roman Republic. It was characterized by two large parties of almost equal strength, corresponding to the two Roman consuls, each of whom could do only that which his partner did not prevent him from doing. While this "remarkable regime" might sometimes be difficult to understand, the coalition was the only possible arrangement under present conditions. Though this situation might hinder

[1] For a record of this meeting, see *supra*.

action desired by the Americans, and while there might sometimes be differences of opinion, the Vice Chancellor assured the Ambassador that American advice and comments would always be received with good will.

The Ambassador then raised the question of the legislation favoring Nazi victims and that of the heirless Jewish property, stating as in the earlier conversation with the Chancellor that he had no instructions to intervene in these matters but that he felt that the Austrian Government might benefit from the impressions he had gained recently in America: namely, that there was a great interest in and understanding for Austrian problems in Washington growing in part out of admiration for the courage shown by the Austrian people; that the only thing presently clouding this sympathy was the differences over indemnification of Nazi victims and the unsettled question of the disposition of heirless Jewish property; that, particularly in view of the readiness of the Jewish representatives to reach a reasonable settlement involving a comparatively small sum, it would be a great pity if Austria did not avail herself of the opportunity to dispose of the entire problem quickly.

The Vice Chancellor reviewed the brief history of the laws passed in July, pointing out that they owed their passage primarily to political considerations. Since July all political activity has transpired in a pre-election atmosphere. The initiation and passage of the legislation in question resulted from a pre-election nervousness. Proof of this lay in the fact that just two days before these laws were passed in Parliament the two big parties agreed not to pass them. Though he is Chairman of the Socialist Party and head of the Socialist faction in Parliament, the Vice Chancellor cannot always control sentiment in the Socialist faction by reason of the fact that he is not always there. These laws were not passed with an eye to the 40,000 persons affected by them but with an eye on 400,000 votes. While the Socialist Party cannot expect to attract many of these particular votes, nonetheless it cannot remain behind by a pace, or even a nose, in the competition for them.

As for the heirless Jewish property, the Vice Chancellor said that his party had been in contact with Jewish groups on this matter. A very great obstacle stands in the way, however. A very large part of this property falls in the category of "German assets" under the Potsdam Agreements and cannot be disposed of until the question of German assets in Austria is finally clarified.

No. 818

763.00/9-452

Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Secretary of State [1]

SECRET [WASHINGTON,] September 4, 1952.

Subject: Status of Soviet held property in Eastern Austria.

With reference to your oral inquiry yesterday concerning the status of Soviet held property in Eastern Austria if our present plans for the development of the Austrian question materialize, there are three possibilities:

1. The abbreviated treaty contains one new clause which has not been agreed by the Four Powers. It calls for the renunciation of all claims to German property and war booty now held in Austria. If the Soviets accept the abbreviated treaty, which is unlikely, the problem of their present hold on property in Eastern Austria would be solved by their renunciation of claims in favor of the Austrians.

2. If we are forced to abandon the plans for the abbreviated treaty and return to a negotiation of the old draft, the settlement of the German property question is contained in Article 35 which was agreed by all Four Powers in 1949. By the terms of this article, the Soviet Government would receive the Danube Shipping Company properties in Eastern Austria and sixty percent of the Austrian petroleum industry, including producing fields, exploratory rights, production and distribution facilities, for a period of 30 years. The Austrian Government would also pay the Soviet Government a lump sum settlement of $150 million for the return of the approximately 300 industrial plants now held by the Soviet authorities. We do not wish to be forced into the position of negotiating the old draft or accepting Article 35 and are making every effort to avoid this possibility.

3. The discussion of the Austrian case in the UN this fall would raise a serious question if the Assembly should adopt a resolution calling for the immediate evacuation of Austria by the occupying powers. We do not see how the US could evacuate Austria until a definite settlement is reached on the question of Soviet control of the former German assets in Eastern Austria. If we were forced to withdraw without the establishment of certain conditions, the Soviet Government would be left in full control of the basic economic resources of the Eastern Zone which would not be the case even if we were forced to accept Article 35 of the long draft.

We are, therefore, making every effort to head off any such proposal in the UN and are discussing this question with the Brazilian delegation which will sponsor the Austrian item. Our instructions

---

[1] This memorandum, drafted by Williamson with a copy for Sandifer, bears the marginal notation: "Sec saw."

to New York have made it clear that any resolution calling for evacuation must also call for the relinquishment of all property claims.

In addition, there is the problem of having sufficient time to create an Austrian security force prior to the withdrawal of US troops. While this question will not be discussed with the Brazilian delegation, or any other sponsor, we will endeavor to obtain a time limit in any possible resolution calling for evacuation which will permit us to carry out the agreed tripartite plan for the creation of an Austrian security force.

No. 819

663.001/9-2952: Telegram

The Ambassador in the United Kingdom (Gifford) to the Department of State [1]

SECRET PRIORITY LONDON, September 29, 1952—3 p.m.

1817. From Reber. Three Western Deputies for Austrian treaty met today and in absence of any acceptance of invitation from Soviet Embassy, agreed to make following recommendations to their governments.

The Deputies agreed not to have exchange of communications with Soviet Embassy similar to procedure followed in January. The conditions laid down in Soviet note transmitted in Moscow's 578 Sept 28 [2] cannot be accepted as basis for discussion. Agreed that Soviet note must be answered, but delivery should be timed to take place shortly before opening of UN. Content of notes should serve to strengthen Austrian case and Western replies in UN debate. Agreed that reply should be drafted in London and communicated to governments for approval. Question of timing as proposed above, as well as final draft of notes should be approved by Austrian Government.

Recommend that note refer to delays occasioned by procedure of constant addition of new conditions by their notes rather than continuing to meet. Note should specifically ask Soviet Government exactly what they mean by continued reference to Potsdam. We consider that we can narrow down Soviet reply to a demand for

---

[1] Repeated to Vienna, Paris, Bonn, and Moscow.

[2] Telegram 578 transmitted the text of the Soviet note of Sept. 27 in which the Soviet Government reiterated its demand that the abbreviated treaty be withdrawn before any further discussion of the Austrian Treaty could take place. (663.001/9-2852) For the Soviet note, see *Documents* (R.I.I.A.) for 1953, pp. 140–141.

German assets. Do they make discussion of Trieste prior condition to negotiating any settlement for Austria? Does their note mean that denazification and demilitarization must be carried out on Soviet terms which have not been accepted by three governments or by Austrian Govt? Care must be taken not to imply in note that we are either withdrawing abbreviated text or committing ourselves to a discussion of the old draft.

Guidance along the following lines is being given to the press here today: Deputies were ready to meet and talk today. For second time, Soviets have failed to appear and instead have sent a note which means further unnecessary delay in consideration of treaty. Not only have Soviets rejected constructive proposals of the Western powers, even as modified to meet Soviet views, but latter still pose prior conditions in order to avoid discussions of treaty and now say it is impossible even to examine the treaty without bringing in extraneous issue of Trieste. Conclusion is inescapable that Soviets are not yet prepared to accept any treaty with Austria. For seven years they have exploited their position in Eastern Austria for their own purposes and for their own economic benefit. Reply to Soviet note will now have to be considered by three governments.

No formal statement or communiqué will be issued, but similar guidance is being given to papers by British and French.

GIFFORD

No. 820

663.001/9–2952: Telegram

The United States High Commissioner for Austria (Thompson) to the Embassy in the United Kingdom [1]

SECRET VIENNA, September 29, 1952—8 p.m.

39. At a mtg with the acting British and French HICOMs and myself this evening Gruber outlined the Aust views on the reply which they felt shld be made to the latest Russian note [2] as follows: He felt it shld begin by relating the history of the negots simply and clearly pointing out that the interruption of direct negots on the initial treaty draft was due to the fact that the Russians failed to appear at the conference of deputies in Jan 1952 and that they attempted to justify their absence by raising the question of Trieste

[1] Repeated to Paris and Washington. The source text is the copy in Department of State files.

[2] Regarding the Soviet note of Sept. 27, see footnote 2, *supra*.

which had no relation to the Aust state treaty. It shld state that the abbreviated treaty was put forward through diplomatic channels as another means of carrying out the Moscow declaration of 1943 and releasing Aust from the onerous and unjust burden of occupation which was the purpose of the negots for a state treaty. The note shld point out that the Russians seemed to be making a *sine qua non* to the resumption of negots the settlement of the Trieste question which is completely foreign to the state treaty. It is therefore important to know whether the Russians do in fact insist on this condition. [3]

Foregoing is an agreed statement of the Aust position which was worked out in Gruber's office after a considerable discussion in which Gruber emphasized the importance of Aust public opinion. He said the Russians had succeeded in confusing the Aust public by making it seem as though the abbreviated treaty was the cause for the breakdown in negots and it was therefore important to make the record clear. He said that while it was very important to make every effort to get the Russians to the conference table he thought it was clear that they were not now prepared seriously to negotiate a treaty.

THOMPSON

[3] According to telegram 1858 from London, Sept. 30, the Foreign Office did not agree with Gruber's views on posing a direct question to the Soviets inquiring whether they were making the Trieste settlement a *sine qua non* to the resumption of the Austrian negotiations. The Foreign Office felt that this might imply a possible swap and might increase the difficulties in the Trieste negotiations. (663.001/9-3052)

No. 821

663.001/9-3052: Telegram

The United States High Commissioner for Austria (Thompson) to the Embassy in the United Kingdom [1]

SECRET VIENNA, September 30, 1952—noon.

41. In discussion with Gruber last evening (Embtel 39, Sept 29 [2]) fol views were expressed which were, of course, personal on part of all except Gruber. Gruber and Fr rep felt every effort shld be made to get Sovs to conf table. First Fr suggestion was that our reply shld state we had been unable reach agreement through exchange

[1] Repeated to Paris, Bonn, and Washington. The source text is the copy in Department of State files.

[2] *Supra.*

of notes and were therefore inviting Sovs to meet in order that they might explain their point of view. I pointed out that this was tantamount to accepting Sov note as basis for discussion which wld get us nowhere. All agreed that abbreviated draft had pushed Sovs toward acceptance long draft but Fr rep wanted go very far toward disavowing abbreviated draft. Brit rep supported my position that since all agreed little possibility of Sovs agreeing to meet and conclude a treaty at this time we should not throw away this means of pressure. It was clear, however, that Gruber and French and to lesser extent Brit wld be prepared accept long draft, the assumption being that US wld shoulder financial burden. Gruber said it was important make Sovs state their terms then it wld be for the US, UK, Fr and Aust Parliaments to decide whether they could be accepted.

I stressed importance of not allowing the Sovs to confuse issue before UN and said that even if we could get Sovs to meet on basis suggested by Fr rep it was unlikely that we could obtain a more clear statement of their position than that contained in their latest note.

We were all agreed on importance of removing confusion in mind of Aust public, many of whom now think that negots are blocked by our insistence on abbreviated draft. Gruber also pointed out that if frightened Aust man in the street gave up hope of treaty he wld feel strong pull toward Ger or Sov Union.

Gruber said that he did not believe he wld have to make any immediate public comment but wld be grateful for any guidance we could give him as soon as possible.

THOMPSON

No. 822

763.00/9-3052

Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Deputy Assistant Secretary of State for United Nations Affairs (Sandifer) [1]

SECRET [WASHINGTON,] September 30, 1952.

Subject: Reference of Austrian Question to UNGA.

With reference to your memorandum of August 29, [2] the following answers to the three questions raised in your memorandum are submitted:

---

[1] Drafted by Rutter and Collins and cleared by Byington and W. P. Allen.

[2] Document 815.

1. Would the three Western Powers be able, if directly challenged by the Soviets with the support of a majority in the General Assembly, to agree to withdrawal of troops without a definite settlement of the assets problem or on the basis of the disposition envisaged in Article 35 of the long treaty?

It is assumed that the term "withdrawal of troops" means the end of all occupation functions and the surrender of all occupation powers. In this process there should, from a U.S. policy point of view, be a settlement of the assets problem; otherwise, because of the extent of the assets and the nature of the extra-territorial powers exercised by the Soviets over them, the Soviet Union could harass or suborn the Austrian Government to a dangerous degree. Even by the adoption of Article 35 the danger would be extreme. The concession to the Soviets represented in this Article was originally made to obtain a quick signature of the Treaty. During the three years since, it has failed to gain its purpose and it renders us vulnerable to a Soviet plot of the sort you envisage. At this late juncture it is probably impossible to disassociate ourselves completely from the long draft before the UN considers the Austrian question. Hence if we are forced to give up the abbreviated treaty, we should insist upon the addition of a "most favored nation" clause which would serve to circumscribe the USSR's administration of the assets. The likelihood of a situation arising where a withdrawal without four-power agreement is approved by the UN is not great, however, since the U.S. delegation in its presentation plans to make abundantly clear to UN members outside the Bloc how important the assets question is. Furthermore, a public affairs program designed to educate UN members and world public opinion is being put into effect. If all the above fails and despite our own efforts a resolution calling for withdrawal of troops without four-power agreement is passed (and I reiterate that it is most unlikely), we should have to give serious consideration to withdrawal without settlement of the German Assets question—we should of course try to amend such a resolution to include a clause calling for the return of all German assets to Austria and/or the withdrawal from Austria of all foreign governmental personnel not specifically accepted by Austria as members of accredited missions, etc. . . .[3]

2. Is it anticipated that sufficient progress will have been made on the Austrian security force program and that a decision regarding the strategic position of Austria will have been reached in this Government by the time of General Assembly consideration which

[3] Ellipsis in the source text.

would enable the three powers to agree to withdraw in a relatively short time?

The problem of Austria's strategic position is being submitted to Defense, but it is hoped to get a decision by October 14. If our view is adopted, the limitations thereby imposed on withdrawal are obvious.

3. In the event the answer to either of the above questions is negative, does the United States have assurance that the Austrian Government, if faced with the necessity of expressing its views, would be willing and able in the General Assembly to oppose withdrawal of troops except upon conditions upheld by the three powers?

Any prospect of a quick end of the occupation would unleash political forces sufficient to change radically the present configuration of the Austrian Government. The whole Austrian temperament and philosophy would favor acceptance. If this unlikely state of affairs came to pass, it could be expected that the Soviets would broach the matter in such a plausible fashion that no Austrian politician could hold many public doubts about it. The Soviet scheme would have to be transparent for a responsible Austrian politician to oppose withdrawal of troops. Again, however, it should be stressed that every effort is being made to avoid such a possibility.

No. 823

741.13/10-152: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, October 1, 1952—8 p.m.

916. Eden's three-day visit to Vienna last week [2] primarily gesture of support for Austria and return of Figl's visit to UK this spring. However, British Embassy here has informed us Eden discussed following subjects in private conversations with Figl, Schaerf, Gruber and Kamits during his stay.

1. Occupation costs. Austrians stressed economic difficulties urging Eden find means reduce or eliminate these costs. When Eden stated present UK military and financial considerations gave

[1] Repeated to London, Paris, Rome, and Belgrade.

[2] Foreign Secretary Eden arrived in Vienna on Sept. 23 following a visit to Strasbourg for a meeting of the Council of Europe and a 6-day visit to Belgrade. Embassy officials in the United Kingdom first learned of Eden's intention to visit Yugoslavia and Austria on Aug. 21. (Telegram 1020 from London, Aug. 21, 741.13/8-2152)

little hope of substantial reduction, Gruber said he had been led to believe that if approached by both UK and France, US might be persuaded to increase aid these countries to enable payment their Austrian occupation expenses. Eden thought this scheme impractical.

2. Housing. Eden agreed to take up with Cabinet Austrian proposal for further construction of housing for British personnel here to release quarters now requisitioned.

3. Trieste. Austrians stressed their economic interest in early settlement which would provide economically and politically stable Trieste as much needed port for Danubian basin (to compete with Bremen and Hamburg) and questioned whether Italians not prone to develop Genoa to detriment Trieste. Eden agreed to keep Austrian economic interest in mind and said he thought it will be in Italian interest to assure viable Trieste. Eden expressed optimism that settlement might be worked out in light his recent conversations with De Gasperi in Strasbourg and Tito in Yugoslavia. However, he would not be drawn out on details saying he wished to discuss them with US first, and warned Austrians not to "rock the boat" meanwhile by inappropriate publicity discussion this question.

4. Austrian treaty. In response Eden's opinion Soviets not yet ready to negotiate treaty settlement, Austrians pointed to recent evidence Soviet desire "normalize" economic relationships here and felt pressure of UN discussion Austrian question might lead them to negotiate although they probably would insist on returning to old draft. In answer to Austrian query, Eden suggested Iraq as possible Arab state to approach for support in UN if French agree.

5. Austrian representation in European organizations. Eden agreed it was not worth provoking Soviets by substitution full membership for present "observer" relationship with Council of Europe but suggested Gruber might attend Committee of Ministers as observer. Austrians agreed and said they also consider appointing "observers" to Schuman Plan Organization similar to British arrangement.

6. Austrian debt settlement. Eden suggested time now ripe for negotiations on this question in view recent German debt settlement. [3] Aust replied this possibility already under study.

7. Displaced persons. Austrians noted problem created by large number DP's here and Eden offered support if concrete plan to rehabilitate even small number is presented to appropriate international agencies. Austrian noted World Bank had refused such as-

---

[3] Concerning the various reports of the London Conference on German External Debts, issued on Aug. 8, announcing the terms of settlement for German prewar external debts, see Department of State *Bulletin*, Aug. 18, 1952, pp. 252–260.

sistance last year, but agreed to prepare specific proposals as suggested.

8. Austrian politics. Eden expressed hope forthcoming election battle would not be so severe as to threaten the coalition. Although stressing probability of all-out campaign, both party leaders agreed coalition absolutely necessary in Austria today.

Despatch covering details follows. [4]

THOMPSON

[4] Reference to despatch 647 from Vienna, Oct. 9, a seven-page report on Eden's visit to Austria. (741.13/10–952)

No. 824

763.00/10–352: Telegram

The Chief of the Mutual Security Agency Mission in Austria (Meyer) to the Mutual Security Agency

CONFIDENTIAL PRIORITY VIENNA, October 3, 1952—8 p.m.

Tomus 205. Ref: Musto 169 Sept 29. [1] Joint Emb/Mission message. New Communist approach in Austria. No radically new information or views available other than already reported by mission or Embassy to comment on Ginsberg views. Latest analysis politico-economic situation contained Embdesp 550 Sept 24 [2] should provide excellent background material for your statement. Believed factual base Ginsberg statement correct, but our immediate conclusions not quite so alarmist. Situation, however, could deteriorate rapidly. Addressing specificially four points made:

(1) USIA retail operations undoubtedly increasing. No known instance of putting free merchants out of business nor is this clearly intention. More precise objectives are probably: (a) propaganda (b) source of schillings to Soviets (c) endeavor sow seeds distrust Aust economic organization (d) extension penetration Aust economy. This development alarming, but not yet critical.

(2) Soviet softness not yet complete and while Austs undoubtedly developing certain tolerance for Sov threat believe continuing occasional kidnappings and more frequent intervention in Sov zone maintain awareness problem. Aust Commie Party still probably

[1] Not printed. (MSA telegram files, lot W 131, "Vienna Musto")

[2] Despatch 550, a 15-page report entitled "An Estimate of the Austrian Politico-Economic Situation, September 1952," noted that Austria was approaching a crossroads with respect to its economic policy with the principal obstacle being its political inertia. (763.00/9–2452)

weakest in Europe. Problem presented undoubtedly exists but not cause immediate concern.

(3) Threat inflation continues to be problem. However, has been substantially arrested during past year with prices constant since Jan 1 and schilling strengthened. More visible immediate threat is unemployment. Problem in preserving tensions stabilization attained in face political threat unemployment. Long run prospects discouraging, but by no means hopeless.

(4) We agree situation has weakened in past year. Reasons include continued discouragement re State treaty, increasing frictions maintenance coalition government, reduced dollar aid and others mentioned despatch 550. Depleted cash position treasury and mounting unpaid govt bills are cause concern; also high 1952 trade deficit and inability govt adjust foreign exchange rate. Because this factor impedes exports westward and slows internal trade, Sov East/West trade drive has gained acceptance some quarters. In summary, we are concerned, but continue hopeful.

MEYER

No. 825

663.001/10-352

The Secretary of State to the Secretary of Defense (Lovett) [1]

TOP SECRET [WASHINGTON,] October 3, 1952.

DEAR MR. SECRETARY: I refer to Mr. Matthews' letter to General Marshall of September 12, 1951 [2] regarding the Austrian treaty question and would like to inform you of developments which have taken place since that time.

On March 13, 1952 the United States, in concert with the British and French, proposed to the Soviet Government an abbreviated Austrian treaty. [3] This proposal was made not only in an effort to secure the resumption of four-power negotiations but to obtain for Austria, if possible, a more equitable settlement. It contained seven previously agreed upon articles and a new article calling upon all four occupying powers to return to Austria all so-called German assets. Since the Soviet Government did not reply to this proposal, the Austrian Government decided to appeal to the United Nations to secure a settlement permitting the termination of occupation

---

[1] Drafted by Collins and Hadsel and cleared with UNP.

[2] See footnote 1 to the position paper prepared by the Department of State, Sept. 7, 1951, *Foreign Relations*, 1951, vol. IV, Part 2, pp. 1123–1127.

[3] Regarding this note, see Document 794.

and on July 31, 1952 sent a memorandum [4] to all sixty members. In this memorandum the Austrian Government stated that no treaty was necessary since Austria had never been considered as an enemy state and stated that the only requirement for the full restoration of independence was the withdrawal of the occupation forces.

The Department of State was not aware of the contents of the Austrian memorandum prior to its dispatch to the members of the United Nations. The argument used by the Austrian Government has caused us some concern since it ignored the problem of the future status of the so-called German assets in the Eastern Zone and, if accepted, might not provide the necessary period of time for the fulfillment of plans for the creation of an Austrian internal security force.

The Government of Brazil has agreed to sponsor this question in the United Nations. The problem is formulated for the agenda as "Question of an appeal to the powers signatory to the Moscow declaration of 1 November 1943 for an early fulfillment of their pledge toward Austria." The tentative Brazilian resolution addresses "an earnest appeal to the Governments concerned to make a renewed and urgent effort to reach agreement on the terms of an Austrian treaty with a view to an early termination of the occupation of Austria and the full exercise by Austria of the powers inherent in her sovereignty." We hope the Austrians have retreated from their view as expressed in their memorandum; they have indicated approval of the above tentative resolution.

In the meantime, the prospect of defending its record in Austria before the United Nations probably induced the Soviet Government to reply on August 14 [5] to our proposal of March 13 concerning the abbreviated treaty. The Soviet note followed the usual line in stating that the Soviet Government was prepared to conclude the negotiations on the old draft treaty if the Western powers would indicate their good faith by carrying out the provisions of the Italian Peace Treaty regarding Trieste and withdraw the abbreviated treaty. The issues of demilitarization and denazification were also raised. In direct response to our proposal, the Soviet Government listed specific objections to the abbreviated treaty. The Western reply to the Soviet note, delivered on September 5, [6] did not mention the Trieste question or the issues of denazification or demilitarization. To meet the specific objections raised by the Soviet note,

---

[4] For the Austrian memorandum of July 31, see Department of State *Bulletin*, Aug. 11, 1952, pp. 221-224.

[5] Regarding the Soviet note, see Document 814.

[6] Regarding the tripartite reply, see *ibid.*

the Western powers simply proposed the addition to the abbreviated treaty of four agreed articles taken from the long draft. The note also proposed a meeting of the Deputies in London on September 29 to initial the settlement consisting of the abbreviated treaty and the four additional articles. The Soviet reply received in Moscow September 27 [7] again rejected the Western proposal on the same grounds and the Soviet Deputy failed to attend the September 29 meeting.

We are proceeding with preparations to discuss the Austrian case in the United Nations General Assembly, which convenes on October 14. It will be necessary for us to be ready at any time after that date to state the United States position on a feasible and final settlement for Austria. In doing so, we will make every effort to conclude an Austrian settlement as defined in the abbreviated treaty. Two other possibilities, however, exist which will affect our position. In the first place, the Soviet Government may suddenly propose to accept the long draft of the treaty together with the Western versions of the five unagreed articles. If such a proposal were to be made, it would be desirable to bring the long draft up to date and eliminate its punitive, restrictive, and burdensome features. We think that good grounds exist for the redrafting of Article 35, for example, which contains concessions to the Soviets agreed upon in 1949 with the understanding that treaty negotiations would be ended by September 1949. Since this has not been done three years later, we would be justified in reopening discussion of the article. Certainly we could attack that part of Article 35 which requires the Austrians to pay to the Soviets $150,000,000 for the so-called German assets by pointing out that the Soviets have taken more than $150,000,000 out of Austria since 1949. However, if our efforts fail completely and British, French, and Austrian pressure to accept the long draft becomes irresistible, we could do so under the authority of NSC 38/6. [8] Any settlement on a treaty basis could be made to provide the necessary time for the formation of an Austrian security force.

I believe, however, there is some possibility that during the discussion of the Austrian question in the UN a member state, either anxious to embarrass the Western occupying powers or ignorant of the true issues involved, might propose a resolution merely calling upon the occupation powers to withdraw without a four-power treaty. Aside from the question of sufficient time to organize ade-

---

[7] The Soviet note of Sept. 27 reiterated the Soviet demand that the abbreviated treaty be withdrawn before any further discussion of the Austrian Treaty could take place. For text of this note, see *Documents* (R.I.I.A.) for 1953, pp. 140–141.

[8] See the editorial note, *Foreign Relations*, 1950, vol. IV, p. 397.

quate internal security forces the concept of a withdrawal without a treaty has serious political implications in that the Soviets would be left in control of an important part of the economy of the Eastern part of Austria with immense possibilities for subversive action against the Austrian Government in both economic and political fields. It would also fail to provide the other additional guarantees such as territorial integrity and independence contained in both draft treaties. We are informing all friendly UN members of the dangerous implications of such a resolution and will ourselves support a resolution along the lines of the tentative Brazilian draft. It is, therefore, unlikely that such a proposal could succeed. Even if it did, however, we doubt whether the Soviets would comply and we would not think of withdrawing our forces unless the Soviets withdrew theirs. If the Soviets were to support such a resolution, it might indicate, however, that they would be prepared to withdraw their forces and in that unlikely event we too might be forced to do likewise. I feel that we should be prepared for all contingencies.

To facilitate a clear statement of the U.S. position on the Austrian treaty before the UN Assembly, I, therefore, would appreciate receiving your comments on the adequacy of Austrian internal security forces with relation to the unlikely situation of the four powers agreeing to one of the possibilities discussed above. The time intervals which will elapse under each alternative before the Austrian Government would have to assume full responsibility for maintaining internal security seem likely to be:

(1) In the event the four powers sign the abbreviated treaty, the West would have little excuse to delay ratification. Assuming rapid ratification and the passage of the ninety-day period to complete withdrawal. Austrian security preparations would conceivably have to be completed by late spring of 1953.

(2) In the event the four powers agree to proceed on the basis of the long draft treaty, a longer interval would elapse because of Western efforts to seek the removal of this draft's most punitive and outmoded features, especially Article 35, and because ratification would be more difficult in the West in view of the concessions to the Soviet inherent in this draft. Thence, security preparations would probably be continued until late fall of 1953.

(3) In the event we are forced to agree to a simple withdrawal without a treaty the lapse of time is indeterminate. A considerable period might be required to liquidate the occupation and to provide for the orderly withdrawal of garrisons. It seems desirable, however, to proceed on the assumption that Austrian security preparations would have to be completed by early spring of 1953.

Sincerely yours,

DEAN ACHESON

No. 826

663.001/10–1452: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, October 14, 1952—7 p.m.

1029. Following is Gruber's reply to questions re UNGA discussion of Aust treaty (Deptel 948, Oct 4[2] and Embtel 958, Oct 7[3]).

"(1) The sentence contained in the memorandum of the Federal Govt that the conclusion of a peace treaty was not necessary, is based on our interpretation of the legal position, according to which Austria's status as a state according to international law was not invalidated by the German occupation, but that Aust was merely prevented from exercising her sovereign powers. On the basis of this interpretation, which is also supported by the Moscow declaration of Nov 1, 1943, the fact of the liberation of Aust by the Allies and of the setting up of a govt chosen by free elections would—as is also pointed out in the memorandum—have to result in the automatic evacuation of the country, without having to wait for the conclusion of a treaty.

"The Federal Govt itself does not intend to take this line in the General Assembly of the United Nations, but it is possible that a third party will do this, as also other nations, e.g., Mexico, support the above mentioned legal interpretation.

"In addition, I am quite aware that the existing situation requires that certain matters be settled by a bilateral or multilateral treaty, which, in my opinion, shld present no insurmountable obstacles to an evacuation of the country.

"(2) The Brazilian resolution will be supported by US.

---

[1] Repeated to London and Paris.

[2] Telegram 948 requested that the Embassy determine what the Austrian position was on the following points:

"1. In its memo of July [for text of this memorandum, July 31, see Department of State *Bulletin*, Aug. 11, 1952, pp. 221–223] Aust govt stated in part that no treaty was necessary, merely a withdrawal of occupation forces. Aust Emb Wash has intimated that Aust no longer adheres this position. In view its importance we must have official assurance from Gruber that he will not advance this stand in UNGA.

"2. In light of ans to 1 above are we to assume Aust govt has approved and will support draft Braz res as most desirable action expected from UN?

"3. Does Aust govt adhere to statement in its memo of July that long draft 'contains a number of financial and econ provisions no longer bearable under prevailing circumstances and hardly ever acceptable to Aust Parliament'?

"4. Does Gruber plan attend UNGA session to present Aust case and what in broad terms is line Aust will follow in UN?" (663.001/10–452)

[3] Telegram 958 briefly noted that Gruber would discuss the four questions raised in telegram 948 to Vienna (see footnote 2 above) and would reply early the next week. (663.001/10–752)

"(3) The Federal Govt reaffirms its relevant statement in the memorandum. Notwithstanding, it will not oppose any solution which would remove the obstacles which prevent it from exercising its full sovereignty. The Federal Govt is at the present moment unable to say how Parliament, which, according to the constitution, is the only body which has the final say concerning the conclusion of the treaty, will consider such obligations in the future. A corresponding proposal, however, can only be submitted to Parliament, as soon as a clear alternative 'final freedom-obligations of the treaty' has been established.

"(4) It is my intention personally to lead the Austrian delegation to the General Assembly."

THOMPSON

No. 827

663.001/10-952

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Under Secretary of State (Bruce) [1]

TOP SECRET [WASHINGTON,] October 14, 1952.

Subject: Austrian Treaty question in the General Assembly.

I refer to Mr. Hickerson's memorandum attached of October 9, 1952 [2] which raised fundamental policy questions concerning the forthcoming debate in the General Assembly on the Austrian question. While I would welcome a discussion of this question in your staff meeting, I do not believe that such a discussion is necessary since the basic policy in this question is clear. I believe that if such a discussion is held, it need not await an answer to the request which the Secretary addressed to the Department of Defense on October 2 [3] concerning the requirements for the establishment of Austrian internal security forces, since this question will not be the sole factor in determing our position in the General Assembly.

I wish to submit the following recommendations as the substance of instructions to our delegation in New York.

1. The objective of our activity in New York should be to obtain the widest approval of the abbreviated treaty as amended by our

---

[1] Drafted by Williamson and cleared by Perkins, Hadsel, and Matthews. Copies also sent to Jessup, Nitze, and Hickerson. Bruce initialed the source text and noted his approval.

[2] Not printed.

[3] Presumably a reference to Secretary Acheson's letter to Secretary Lovett, Document 825.

note of September 5 [4] as the basis for a future Austrian settlement. We should take positive steps to assure support for this position as an enlightened and constructive solution of the problem and should not be stampeded into a position which threatens either our present strategic interests or the future prospects for survival of an independent Austria. Therefore, we should insist that a precise four-power agreement is necessary before we can withdraw our troops.

2. We should use all of our efforts and ingenuity to head off any proposal for the unconditional withdrawal of the occupation forces. I do not believe that there is the slightest chance that such a proposal will be passed, provided our presentation of the issues involved is effective. If such a resolution is introduced by the Soviet Union or is supported by the Soviet Union and a majority of member states and Austria, we should insist that it must be accompanied by the renuniciation by all the occupying forces of claims to property and war booty in Austria. If the resolution does not contain such a provision, we should vote against it; otherwise we would find ourselves in the untenable position of agreeing to withdraw while leaving the Soviet Union in physical control of sufficient property and resources to threaten the future independence of Austria. If the resolution is not supported by the Soviet Union, we should still insist that such provision be included in the resolution and, furthermore, that any withdrawal of forces of the four powers must be simultaneous and complete.

3. I believe that it is unlikely that the Soviet Union will make a major change in policy and express willingness to agree on the long draft treaty including Article 35 without raising extraneous issues. If such a proposal is made by them, and supported by Britain, France and Austria, we would be forced in the end to negotiate on this basis within the terms of reference of NSC 38/6; [5] namely, that agreement be reached on the best terms obtainable. We should not, however, agree to complete the negotiations on the old draft until we have used every means to secure support of the abbreviated text on the grounds that the Soviet Union has prolonged the occupation to exploit and drain a small state. It seems to me that we are in an excellent position to gain widespread support for a reasonable settlement such as envisaged by the abbreviated treaty and to emphasize the Soviet's claims for material gain. It is clear that the Assembly will not be called upon to negotiate the exact terms of settlement but simply to indicate a basis on which a settlement should be reached. We should have sufficient strength in the UN to

---

[4] Regarding this note, see Document 814.

[5] See the editorial note, *Foreign Relations*, 1950, vol. IV, pp. 397 ff.

influence the final decision of the Assembly. If we find no support for our position we will, in subsequent negotiations, return to a consideration of the long draft including Article 35, under the explicit authority contained in NSC 38/6.

4. Any resolution for withdrawal, or any basis proposed for future settlement should take into account the time required for training and equipping the Austrian security forces. Both drafts of the treaty envisaged that the period required for ratification and the 90 day period following the deposit of ratifications would be utilized for this purpose. No indication can be given in the debate of our intentions in this respect.

No. 828

663.001/10-1652: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, October 16, 1952—8 p.m.

1059. We consider Gruber's reply to four questions (Deptel 1049, Oct 15 [2]) reflects accurately consensus of opinion in Austrian Govt, i.e. that while short treaty is most desirable objective, Austrians are in no position to reject long draft if early agreement cld in fact be reached on that basis; and further, that in likelihood no early agreement on any treaty draft, mere evacuation of occupation forces and end of occupation regime wld be preferable to indefinite prolongation of existing situation.

What Austrians regard as most likely solution, and one they seem most hopeful about, is compromise between short treaty and long draft. To this end, they hope Soviets can be brought to conference table, and can there be induced to state terms on which they wld conclude treaty. If Soviets can thus be induced to submit concrete proposal, Austrian Govt cld then take question to Parliament, obtain "reluctant consent", and appeal to us for help in paying price which Soviets will undoubtedly demand for leaving Austria.

We believe foregoing is reasoning behind points one and three of Gruber's reply. We think Gruber is sincere in point one statement that Austrian Govt will not itself take line in UNGA that no treaty is needed. If, however, it is raised by another power, Austrians must be expected to give support to it. We believe they wld consid-

---

[1] Repeated to Bonn for Reber and to London, Paris, and Moscow.

[2] Telegram 1049 requested the Embassy's comments on telegram 1029 from Vienna, Document 826. (663.001/10-1452)

er termination of occupation without treaty preferable to treaty plus neutralization, for example. Former wld permit them immediately to build up security forces, and they are apparently unconcerned re internal risks or threat from satellites in temporary period between withdrawal of occupation forces and establishment of their own military. They consider also that withdrawal of Soviet forces wld leave USIA enterprises at mercy of Austrian authorities, even though ownership remained in Soviet hands, and that they cld thus settle affairs to their own relative satisfaction within reasonable time.

As viewed from here, we believe that primary objective of Western powers in UN discussions must be to convince world opinion beyond possibility of Soviet distortion that they are eager for Austrian settlement on best possible terms for Austria. We feel therefore that Western powers shld stand by short treaty as simplest and best solution, at same time making it clear they are prepared to consider any reasonable proposal which Soviets may advance.

Commies here have made great point, particularly since proposal for abbreviated treaty, that Western powers are merely maneuvering in an effort to avoid withdrawal from Austria. It wld be of immense propaganda value if we cld show clearly that we are prepared to end occupation. If withdrawal without treaty shld be proposed by other UN member, we hope Western powrs wld be in position to welcome such solution and wld only in subsequent debate bring out objections to it with reference to establishing the draft terms for withdrawal. In this connection, we cld, of course, re-emphasize Soviet vested interest in their Austrian position, point out necessity for continued negotiation final settlement and insist on UN supervision of withdrawal over a period of time which wld allow Austrian security forces to be established.

We do not believe Russians cld possibly accept such a proposal for withdrawal, but we are fearful that we will be placed on the defensive to our great disadvantage before Austrian public opinion if we too indicated reluctance to accept it. Even in extreme case of Soviet acceptance of proposal with our conditions, I believe we wld have much to gain by eliminating possibility which the Soviets now have of forcing a partition of Austria and breaking the Austrian Govt through measures of violence to which they have not yet resorted. Fact that they have not taken such steps is no guarantee for the future and does not diminish the real value to us of eliminating this danger.

To sum up, we believe that course proposed in draft USUN position paper wld have most serious repercussions in Austria if carried out in such manner as to make it appear that we are reluctant

to withdraw our troops. In other words we shld say "yes, but" rather than "no, but".

THOMPSON

No. 829

663.001/10-1752

The Ambassador at Large (Jessup) to the Assistant Secretary of State for European Affairs (Perkins) [1]

TOP SECRET NEW YORK, October 17, 1952.

DEAR GEORGE: I have seen a copy of your memorandum to Mr. Bruce on the Austrian Treaty question. [2] Just after reading it, I read Vienna's 1059 of October 16. [3] I have been disturbed for some time by the fear that we might get ourselves into a very disadvantageous position in the General Assembly. In part, the problem is one of the presentation of our views in the course of the debates. I agree strongly with Vienna that it is better to say "yes, but" rather than "no, but." I think it would be most unfortunate if we got ourselves into a position where it appeared to other members of the United Nations, and particularly to the Austrian public, that the Soviets were ready to end the occupation and that we were refusing to do so. I think all of the points that you have in mind can very well be made in argument. I think it is doubtful that the Russians will put us in a hole by accepting a proposal for unconditional withdrawal. However, we must be prepared for such a contingency, and personally I am still not convinced that if we have to vote on a proposal for unconditional withdrawal we should vote against it even though the Soviet Union and Austria are in favor of it. I have tried to raise this basic question for top-level consideration with the Secretary a number of times over the past month, but it seems to me it has never been properly thrashed out with consideration of all points of view. In the light of Vienna's 1059, I hope that the matter will be given further consideration.

Sincerely yours,

PHIL

---

[1] Copies were also sent to Bruce, Nitze, and Popper.

[2] Document 827.

[3] *Supra.*

No. 830

763.00/10-2252

Memorandum by Leon W. Fuller of the Policy Planning Staff to the Director of the Planning Staff of the Office of Western European Affairs (Williamson)

SECRET [WASHINGTON,] October 22, 1952.

Subject: Austrian Item at UNGA

S/P had previously noted and approved the Dept position paper on the Austrian item at the United Nations General Assembly [1] when our attention was called to Mr. Jessup's letter of October 17 to Mr. Perkins. [2] Mr. Jessup evidently fears that too negative a position toward a possible proposal for unconditional withdrawal of military forces from Austria would be damaging to the United States and, on this point, prefers the view presented in Vienna's 1059 of October 17 [*16*] [3] to that reiterated in Mr. Perkins' memorandum to Mr. Bruce on October 14 [4] as our official position.

Fundamentally S/P supports the logic of our stated position but shares Mr. Jessup's concern at possible adverse consequences for us in the Assembly if we flatly oppose a resolution urging unconditional withdrawal. I assume, however, that in the preparation of our delegation the utmost effort has been made to insure that our position, in the event of such a resolution being offered, is presented as affirmatively as possible. Might it not even be possible to vote initial approval for such a resolution and then to bring out the qualifying arguments in debate?

It would be especially difficult, S/P feels, to reject such a resolution outright if it were supported, as Vienna's 1059 indicates it probably would be, by the Austrian Government. Is there still any possibility of persuading the Austrians not to give overt approval to this type of resolution if presented at UNGA? It would be desirable to avoid the onus of seeming to oppose the will of the Austrians themselves on this issue.

S/P hopes that if the issue arises it can be handled without the necessity of the United States being put in the position of being re-

---

[1] Presumably a reference to a position paper circulated in draft and later designated NYT D-1/4 of Nov. 6, "Negotiating Paper—Austria". This paper, drafted by E. P. Allen and Baker, was prepared for use by the Secretary in the pending discussions with the British and French Foreign Ministers in New York during the Seventh Session of the UNGA. A copy of document NYT D-1/4 is in CFM files, lot M 88, box 163, "NYT Documents 1-4/3".

[2] *Supra.*

[3] Document 828.

[4] Document 827.

sponsible for blocking action that Austria and the majority in the assembly might be disposed to approve. Perhaps another delegation than our own could be made ready to present a resolution including the minimum essential conditions to safeguard Austria's independence, if possible prior to the presentation of an "unconditional withdrawal" resolution, or as an amendment to such a resolution. We feel that taking all reasonable precautions available to us in this connection represents the farthest we can go to meet the objections raised in Mr. Jessup's memorandum.

No. 831

663.001/10-2752

The Assistant Secretary of State for European Affairs (Perkins) to the Ambassador at Large (Jessup) [1]

SECRET [WASHINGTON,] October 27, 1952.

DEAR PHIL: I heartily concur in all that you say in your letter of October 17 [2] concerning the Austrian treaty question. Our approach should, of course, be "Yes, but" as recommended in Vienna's 1059 [3] rather than "No, but". I think that our argument might well follow the outline contained in my memorandum of October 14 [4] to Mr. Bruce in order to head off the introduction of a resolution calling for unqualified withdrawal. An additional argument which should not be overlooked is that, aside from the troops in Austria, there exists also a four-power organization in the form of the Allied Commission which, with its many subordinate agencies, functions pursuant to four-power agreement. This situation can be changed only pursuant to agreement among the four occupying powers and a simple withdrawal of troops would not of itself terminate four-power control.

Defense has now concurred in our position paper [5] subject to the following changes being made therein:

(a) Change the final sub-paragraph under paragraph 2 of the Recommendations (Page 2) to read:

> "However, in the unlikely event that all our efforts along the above lines fail and that an unamended resolution calling

---

[1] Drafted by E. P. Allen and cleared by Collins, Williamson, and R. B. Knight. Copies also sent to Bruce, Nitze, and Popper.

[2] Document 829.

[3] Document 828.

[4] Document 827.

[5] Regarding the Department of State position paper, see footnote 1, *supra*.

for an unconditional withdrawal were to appear to command majority support, the United States should vote against such a resolution even if the Soviets also indicate their support and if Austria, France, and the United Kingdom join in supporting it, since an unconditional withdrawal would have no provision for security safeguards".

(b) In the first line of the first full paragraph on Page 9 substitute "most undesirable" for "difficult".

(c) Change the paragraph numbered 1 on Page 9 to read:

"The existence of an adequate Austrian internal security force".

It will be observed that Defense, in suggesting the foregoing changes, has taken a firm stand against voting in favor of an unconditional withdrawal even if the Soviet Union, Austria, France, and the United Kingdom join in supporting it. This position taken by Defense is consistent with NSC policy approved by the President and I fear that there is little likelihood of our securing a modification of the Defense position at this time. I suggest, therefore, that we play the "Yes, but" approach strongly with full argumentation in any debate on a resolution for unconditional withdrawal. In the unlikely event that all of our arguments should fail and a simple withdrawal proposal should gain widespread support, I think that we should at that time urge upon the President a modification of the U.S. position with a view to preventing our being placed in an untenable position on this question. I see no other alternative course of action for us to pursue at this time in light of the position taken by Defense.

Sincerely yours,

GEORGE W. PERKINS

No. 832

663.001/10-3152: Telegram

The Acting Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, October 31, 1952—4:49 p.m.

3061. Paper on position US in UNGA on Aust treaty, [2] concurred in by Dept of Defense, summarized below:

---

[1] Drafted by E. P. Allen and cleared by Baker, Williamson, Collins, and Knight. Repeated for action to Paris and for information to Vienna, Moscow, Bonn, and New York.

[2] Regarding this position paper, see footnote 1, Document 830.

Principal objectives US are:

1) Help mobilize pressure of world opinion against Sov Union with view inducing it conclude treaty making possible term occupation and return to Aust Ger assets in Sov Zone;

2) Demonstrate good faith West Powers and intransigence Sov Union in Treaty negots;

3) Emphasize West support Aust Govt and interest in Aust freedom and independence.

Paper recommends that:

1) US support res along lines Braz proposal appealing to occupying power to renew their efforts reach agreement on treaty with view early term occupation;

2) US shld seek avoid adoption res calling for unconditional withdrawal troops. If such res introduced and appears command wide support US shld seek have it amended to make withdrawals simultaneous and conditional upon either (a) agreement among 4 powers upon conditions which wld permit simultaneous withdrawal all forces, or (b) relinquishment to Aust by all occupying powers of all property held or claimed as Ger assets or war booty in Aust.

In unlikely event that all efforts along above lines fail and that unamended res calling for unconditional withdrawal were to appear to command majority support US shld vote against such res even if res supported by Aust, Sov, Fr and UK since unconditional withdrawal wld have no provision for security safeguards.

3) US shld indicate its desire conclude settlement promptly on basis abbreviated treaty. USDel shld, however, avoid creating any impression abbreviated treaty is only basis on which negots may be resumed or that US unwilling give consideration provisions long draft treaty. It shld be made clear that US prepared consider any substantive Sov proposal.

4) Except under circumstances mentioned 2(b) above US shld seek avoid any provision in Gen Assembly making substantive recommendations to occupying powers re terms of treaty or evacuation. Accordingly US shld not initiate recommendation that abbreviated treaty be basis for negot but shld support such proposal if made by others.

5) US shld seek avoid adoption res calling for UN mediation or inquiry.

6) US shld not favor provision that occupying powers submit report on progress for consideration by 8th Gen Assembly or that Gen Assembly decide to include Aust question on agenda 8th session. However, US shld not oppose provision that powers report to SYG for info UN members.

7) USDel shld consult with Brit and Fr del with view maintaining uniform position all issues.

8) US shld strongly support invitation rep Aust Govt to participate without voting in comite consideration Aust question.

9) While leaving initiative to dels smaller states and Aust US shld in course of debate review efforts which West Powers have made to reach solution Aust problem pointing out concessions made and patience with which negots pursued. End position paper.

It is anticipated that discussions with Brit and Fr with view coordinating West position will take place New York. USUN has been instructed that unless question raised US plans for mtg possible contingencies such as unconditional withdrawal shld not be discussed pending further clarification Aust position. It is realized US position on unconditional withdrawal may have to be re-examined in light developments in Assembly.

BRUCE

No. 833

763.00/11-1052

Memorandum by the Deputy Director of the Office of Western European Affairs (Knight) to the Assistant Secretary of State for European Affairs (Perkins) [1]

SECRET [WASHINGTON,] November 10, 1952.

Subject: U.S. Policy During the Austrian Elections

The significance of the recent Austrian political crisis [2] lies in its close connection with the national elections scheduled for about February 22 which will determine if or on what basis the present People's Party–Socialist coalition will continue. Especially important in these elections will be the program of each party on how it intends to deal with Austria's increasingly serious economic problems.

From 1945 to the present the coalition has been able to agree on urgent matters because of the immensity of the Soviet menace. Issues on which the major parties were diametrically opposed have been put off pending the end of the occupation. Regarding econom-

---

[1] Drafted by Rutter and cleared by Collins.

[2] On Oct. 21 the Austrian coalition party leaders reached an impasse in their discussion of the draft 1953 budget. After intense negotiations on Oct. 22 the Cabinet submitted its resignation to the President just before midnight. President Koerner withheld action on the resignation and urged the coalition leaders to continue negotiations in order to reach a compromise. On Oct. 28 it was announced that a compromise solution had been reached on a provisional budget; it was also announced that the government's resignation had been accepted and a new government formed with the identical composition. An analysis of this crisis was transmitted to the Department of State in despatch 894 from Vienna, Nov. 17. (763.00/11-1752)

ic policies, however, the coalition avoided major disputes largely because US aid made good the losses caused by Soviet takings and by the continuance of inefficient policies where vital coalition interests were in con lict. From one standpoint, then, the US made up Austrian deficits in return for the maintenance of political stability and of resistance to the Soviets.

Had Austria carried out a realistic economic policy, it would have achieved the postwar economic progress made by other Western European states, and there would now be every prospect of a peaceful election campaign and a continuance of the previous political stability. Thus from an economic viewpoint, the decline in US aid could have been counterbalanced by a proportionate improvement in the economy, but from a political viewpoint suspicions between the coalition partners stalemated the creation and carrying out of a constructive economic program. No one believes that the Cabinet resignation came about through failure to agree on 400 million schillings on the ordinary 1953 budget. A more plausible explanation is that party leaders felt impelled to establish a preelection position which is more partisan than their actions in the coalition and to demonstrate to the US that Austrian political stability is in jeopardy. As yet the present debate is limited to the narrow ambit of stabilization measures proposed by the Finance Minister and partially opposed by the Socialists. If, however, the economy further deteriorates, as seems likely, broader disputes on economic policy will aggravate the tension.

While the possibility that Austria will recover from the present business recession is not out of the question, it seems likely that an economic crisis will come within the next eighteen months, the date depending upon how much slack exists in the economy to withstand the present unfavorable trends. Since the inflationary limit has not been reached, since unemployment is not yet critical, and since satisfactory supplies of fuel and bread grains are available and foreign exchange reserves are still substantial, it would seem that a crisis is not imminent. However, if for political reasons the parties were to agree on a sixth wage-price agreement, the approach of the crisis might be accelerated.

In these developments the role of the US, as virtually the third member of the coalition negotiations, is especially difficult because the future US contribution determines how far the major parties must go to reach a realistic solution of their difficulties. The aid program for Austria is not achieving the economic objectives of increased exports and production which have been the basis for past and present reductions in aid. The Austrian Government gives no indication of making the adjustments necessary if the Austrian economy is to maintain its present level with the $35,000,000 in aid

recommended by MSA for fiscal year 1954. It is apparently not prepared to reduce the imbalance in the budget to a level which could be supported by Austrian resources. While Austria has held the credit line since June, the cause lies largely in the abatement of demand for credits because of the recession, a trend which may be expected to reverse when business recovers. A schilling devaluation remains in the offing. US recommendations to Austria to initiate institutional reforms in the fields of foreign exchange administration, banking, productivity, restrictive business practices have had little noticeable effect except to increase anti-US antagonism. Energetic attempts to carry out even the mandatory provisions of the Zablocki and Moody Amendments in the period before the new Government is formed are almost sure to aggravate this antagonism. In any case, the benefits anticipated from these reforms would only appear in a long-term cycle of five to ten years and not in sufficient time to affect the economy significantly in the next few months. Also to a large degree the Austrian public, not understanding the need for these reforms, is in no position to support them politically.

To avoid the development of an Austrian political crisis it is therefore recommended that:

(1) The illustrative figure of Austrian aid for fiscal 1954 or $35 million be raised substantially. The Department took this position when MSA discussed the aid figure with the Bureau of the Budget and in the MAAC Committee.

(2) US pressures on Austria to improve economic performance during the pre-election period be limited to the minimum consistent with statutory requirements.

(3) The trend of the economy be reviewed on the assumption that Austria either will not or cannot make any significant progress on economic reforms within the next eighteen months.

(4) The US be prepared to make the maximum use of counterpart releases to prevent the collapse or weakening of the present coalition.

No. 834

763.00/11-2552: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

SECRET VIENNA, November 25, 1952—8 p.m.

1428. Although polit truce has prevailed since Govt reformed fol budget crisis, every move made by coalition partners is with view to elections which both parties regard as decisive for Aust's immed

future. Net result of this truce has been outward calm, with coalition presenting more united front to its detractors, and inward stagnation in which only most routine of Govt functions are carried out.

In conversations "for the record" both parties insist that coalition will continue, with relatively few changes even in Cabinet posts; express confidence in their election prospects; and profess to be concerned mainly over probable losses by coalition partner to right or left, respectively.

Socialists appear to have reconciled themselves to some gains by Commies in popular vote. They say that loss of one or two Parliamentary seats to "peoples opposition" wld make no real difference, although they admit that increase of Commie deputies to eight (number required to introduce legislation) might seriously hamper orderly functioning of Parliament. While they find some justification for their confidence in recent local elections in 32 Steiermark communities, in which they held on to 44 percent of the vote as compared to 29 percent for Peoples Party, 11 for VDU, 12 for non-party independents and 4 for Commies (44, 38, 7, 7, 4 percent respectively, in 50), there is nevertheless undercurrent fear that Commie gains may be sufficient to inhibit extraordinary resistance which workers have for so many years maintained against Sov and Commie pressures in lower Aust and Vienna. There is also corollary fear that any appreciable Commie gains will encourage Sovs to extend larger and more overt support to their Aust stooges for the achievement of Sov aims.

Peoples Party leaders have similarly reconciled themselves to some losses to VDU. They have, however, regained considerable confidence from popular response in rightist circles to firm stand by PP against Socialist demands in recent budget crisis. Also, recent PP Party convention at St. Polten demonstrated that party organization in Lower Aust was intact and spirits good. This is evident despite fact that some PP leaders in Sov zone, sensitive to recent increase in Sov intimidation moves are urging federal party leadership to go slow on electioneering mtgs, demonstrations, parades, etc., in Sov Zone, saying they will get out vote without such manifestations, and it wld therefore be preferable to avoid compromising their supporters with Sovs.

It appears on whole that both parties have maintained their hold on electorate in Sov Zone. Unfortunately, this may not be true in Western provinces. It is there that inconveniences of a "friendly" occupation have weighed most heavily, without recompense of patriotic resistance which aids residents of Sov Zone to bear greater risk and sterner burdens. It is there too that impatience with endless procrastinations and unending compromises inherent in coali-

tion has reached its height, as has normal polit desire to see change of regime which has been in power for seven years. These factors, coupled with freedom to attack coalition and occupation powers without inhibitions evident in Sov Zone, have led to increasingly articulate and often irresponsible opposition by VDU, splinter parties, non-party groups and large majority of independent press.

Whether this discontent is sufficiently strong to turn voters away from two big parties remains to be seen. It already looms large enough in PP thinking, however, for serious consideration to be given for first time in post-war era to possible inclusion of VDU in coalition if PP strength shld fall below that of Socialists (Embtel 1410 Nov 22 [1]). Most PP leaders are convinced of necessity of coalition with Socialists, but they are equally convinced of necessity to maintain rightist dominance in such coalition. Socialists have not indicated what their attitude wld be towards inclusion in coalition of party to whose aims they are basically opposed. They have, however, paid VDU compliment of springing energetically to its defense when Sovs were reported to have banned its activities in East Aust (Embtel 1375, Nov 19 [2]).

Further evidence of traditional Aust "reinsurance" is found in plan of Aust Industrial Federation to divide its campaign contribution—some 90 percent to PP and 10 percent to VDU–Aktion list.

VDU–Aktion group has been quick to capitalize on circumstances outlined above, and are attempting to give impression that nothing much is left but to count their votes. They are modest enough not to claim a plurality, but insist they will have minimum of 25 seats, with more optimistic forecasts ranging up to 35.

Effect of any such success by VDU–Aktion will depend in large measure upon development of this amorphous group during electoral campaign. Merger with Aktion has given it a more respectable cast, while incidentally ensuring that voters in opposition or coalition will have no real choice except VDU or Commie ticket.

Aktion may exert moderating influence on VDU, but there will be some temptation at least to cling to Pan-Ger, pro-Nazi line which has dominated VDU propaganda in past. If this attitude shld be intensified, and VDU–Aktion shld then achieve appreciable success, immed repercussions on both domestic and fon policies of

---

[1] Telegram 1410 reported opposition on the part of both major Austrian political parties to an announcement of a proposed study of Austrian banks resulting from the dollar diversion scandal and evaluated the effect of such an announcement on the pending election. (863.14/11-2252)

[2] Telegram 1375 reported Soviet actions to prohibit VDU activities in the Soviet Zone in Austria. (763.00/11-1952)

Aust Govt can be expected, regardless of whether VDU–Aktion is actually included in coalition.

Of more direct concern to us wld be anticipated repercussions in US Zone, particularly *Land* Salzburg, where VDU has taken especially virulent anti-US line for some time past. Other Parties there have apparently felt impelled frequently to join in this anti-Amer propaganda, at least to extent of indiscriminate criticism of US occupation policies and troop behavior, and thus far there seems no inclination on part of weak and divided PP leadership in Salzburg to take any other line. Despite relatively high voting strength in urban Salzburg, Socialist Party there appears to have less impact on public opinion than others, and is more restrained attitude re Austro-US questions has generally gone unnoticed in welter of PP, VDU, and independent press broadsides against US.

To sum up, there is prospect of some Commie gains in election, but at same time grounds for hoping increase will not be appreciable. Socialist Party is well organized and is prepared to wage energetic campaign, particularly in Sov Zone. Big question is whether PP will lose important segments of vote to VDU–Aktion. Answer may lie in energy and skill with which PP conducts campaign. Other important factors will be effective leadership and organization, as illustrated on one hand by situation Upper Aust, where PP appear actually to have regained some ground lost to VDU in Presidential election, and on other by *Land* Salzburg where VDU strength continues increase at expense of weak and unorganized PP.

THOMPSON

No. 835

663.001/12–552

Memorandum of Conversation, by the Secretary of State [1]

CONFIDENTIAL WASHINGTON, December 5, 1952.

Participants: The Austrian Foreign Minister, Dr. Gruber
The Secretary of State
The Austrian Ambassador, Dr. Max Loewenthal
EUR—Mr. Bonbright

[1] Drafted by Bonbright. In a memorandum to Secretary Acheson, dated Nov. 19, Perkins discussed the upcoming meeting with Gruber and forwarded a memorandum summarizing the issues which were expected to arise in this conversation. (Secretary's Letters, lot 56 D 459, "A")

The Austrian Foreign Minister came to see me this morning. The following subjects were touched on:

(1) Austrian item in the General Assembly. Dr. Gruber stated that it made little difference to him whether the discussion of this item took place in the Political Committee or the *Ad Hoc* Committee. In his view there were two factors of importance: (a) to have the discussion in the committee where they would get the most favorable votes and (b) to have the discussion in whichever committee would insure completion of the item by Christmas. He was under no illusions that discussion in the General Assembly would lead to conclusion of a peace treaty but he stressed the importance to Austrian morale of keeping his country's case in the public eye.

(2) Future of Europe. Dr. Gruber asked me for any views on European developments in the next few months with particular reference to the attitude of the Soviet Union. I told him that I did not foresee any great changes. I said that if the EDC were to fail of ratification or if the Western powers showed signs of faltering in the pursuit of their aims, the Russians would doubtless endeavor to exploit such failures. On the other hand, if the EDC is ratified and we continue on our chosen path, we may in time expect the Russians to begin to adjust themselves to the situation.

(3) Austrian elections. I asked the Foreign Minister for his views on the outcome of the Austrian elections to be held on February 22. He did not seem to feel that there would be much change in the present composition of the parties although the parties of the coalition might well lose some votes to the Right and to the Left. This did not concern him unduly in view of the predominant position of the Peoples Party and the Socialist Party. The important thing in his view was that these two parties should maintain their present equilibrium vis-à-vis each other, since if the Socialists were to gain the upper hand, there would be a change of leadership or the Peoples Party might feel compelled to make alliances with other groups to the right in order to maintain their position. His own view seemed to be that the present equilibrium between the coalition parties would be maintained.

(4) Four-power meeting on Austria. The one specific point to which Dr. Gruber wanted us to give thought was a suggestion for a quadripartite Foreign Ministers meeting—or at least a top level meeting—on the Austrian problem within the next few months. He stated that he appreciated the fact that nothing could be done about this now with a new administration about to come into power in the US. However, he felt that such a meeting would have important benefits in Austria along the lines of his earlier remarks that for purposes of upholding Austrian morale their case should be constantly kept before the world. Not only was this useful in

Austria but it had wider advantages since it was clear that the Russians heartily disliked having the spotlight on their position in Austria. Dr. Gruber expressed the hope that the State Department would give thought to his suggestion and be prepared to take it up with the new administration. I told him that I would speak to my colleagues in the Department about it and have the matter studied.

No. 836

863.00/12-1252

The Officer in Charge of Italian and Austrian Affairs (Collins) to the United States High Commissioner for Austria (Thompson)

SECRET [WASHINGTON,] December 12, 1952.

DEAR TOMMY: In an undated letter of about December 1 to Mr. Bruce, a copy of which is attached, Mr. Kenney advised that MSA wished to suspend aid to Austria unless there were overriding political considerations against such action because of the Austrian Government's unsatisfactory performance of its commitments contained in the Donnelly–Figl agreement of June 3, 1952. [1] Although Ty Wood, who replaced Mr. Kenney shortly after the letter was despatched, has indicated he may withhold the sanctions until after the elections, we are increasingly anxious that a basis be found to wind up the dollar diversion investigation. A copy of our reply to Ty Wood is also attached. [2]

MSA's position is far from clear because they refuse to state the essential conditions for liquidation of the affair. They insist that they must have evidence of sincere Austrian performance on the six June 3 commitments before it can be determined if the accounting standards appropriate for a recipient of U.S. aid have been met. Behind this stand is the fear they may some day have to explain the whole history of the investigation to the House Watch-Dog Committee. As the attached copy of Mr. Kenney's letter shows, they are not yet tired of receiving accountants' reports which no one seems able to translate into concrete proposals. For example, when Karasik and Surrey, the Washington firm of lawyers retained by the Creditanstalt, disclosed the results of the Limor audit, the Controller stated this information was insufficient and proposed the widening of the investigation to include other foreign subsidiaries of Austrian Banks.

---

[1] Regarding this agreement, see footnote 4, Document 803.

[2] Not attached to the source text, but see Document 838.

While the Department is on strong grounds in pointing out the absurdity of jeopardizing the entire U.S. position in Austria for the sake of what now seem to have been relatively minor irregularities, we can hardly justify the meagre Austrian performance on the six points. This is all the more so since the Minister of Finance seems to be proceeding on the assumption that the action of the Parliamentary Committee on July 17 in taking note of the report of the Court of Accounts concluded the investigation. Whether he has underestimated the gravity we attach to this business or believes we are not in a position to press for further progress, he does not seem to have taken obvious steps to comply with the commitments, steps which to us at this distance do not seem to involve the political risks always mentioned in connection with the People's Party's involvement in this affair but which might be of major importance in Austro-United States relations. These might include the following:

1. Transmission of the completed Limor audit to you by the Austrian Government together with the answers to as many of the Andersen accountant questions as Weill, the New York associate of Karasik and Surrey, can prepare. It would be very strange if material now available in Washington could not find its way into the hands of Mr. Kamitz.

2. As to prosecutions it would seem feasible that the Minister of Justice prepare a report on the culpability under Austrian law of those involved in the diversions. Presumably this would be even less definite than the opinion already prepared by the Legal Division of the Embassy.

3. Similarly with respect to reimbursement of diverted U.S. funds the Austrian ERP Bureau, the Ministry of Finance and the National Bank could examine the views of the MEC Controller to determine the Austrian position on this point.

4. As to banking legislation, it would seem easy for the Austrians to submit alternate staff plans for a new charter of the National Bank which are believed to have been in existence since 1947. It would not be necessary to introduce these into Parliament but only to indicate that the matter was under consideration.

5. We have noted your views in Embtel 1410 November 22 [3] as to the possibility that the new Government will not renew the invitation for a bank survey group. Would you think this view would be maintained if the Austrians knew aid were cut off on just such a trifling pretext? Could we not get the assurances of the two major parties, through Figl and Schaerf, that the invitation would be given right after the elections?

6. We understand that Limor is in process of liquidation but have no word on other foreign bank subsidiaries. On this point the Gov-

---

[3] Telegram 1410 reported that both People's Party and Socialist leaders were opposed to an announcement of a bank study until after the Austrian elections, although the People's Party leaders were the most concerned about this subject. It stated that if the bank survey was not inaugurated immediately, the earliest it would be initiated was sometime in March 1953. (863.14/11-2252)

ernment could indicate what action it has or contemplates taking. If the answer is negative, it could at least present an economic justification for keeping these subsidiaries in existence.

We make no claim that the above exhausts the possibilities which have been open to the Austrians since June. That nothing has been done except vague reports on Limor and some discussion of the composition of the banking survey group convinces certain groups in MSA that the Austrians are guiltier than the evidence indicates and furthermore never intend to take any remedial action.

We have no sanguine hopes that the Austrians even with the best of intentions could wind up this affair before the elections. It does seem possible, however, that some of the staff work could be initiated with a view to presenting an Austrian proposal for ending the investigation soon after the formation of the new Government. It is suggested that in separate talks with Figl and Schaerf you may wish to review the situation frankly. If the Austrians could go through with the operation described and if MSA agreed, then a statement like the one attached [4] might be the final step. Pending the receipt of your comments, the above has not been presented to MSA. For the time being we shall proceed with them on the basis of the attached letter to Mr. Wood, that is, attempting to obtain the release of $15 million, the last tranche of the $35 million promised the Austrians for the first half of fiscal year 1953.

With best regards.

Most sincerely,[5]

[Attachment]

The Deputy Director for Mutual Security (Kenney) to the Acting Secretary of State

SECRET WASHINGTON, undated.

DEAR MR. BRUCE: I should like to invite your attention to certain problems regarding Austria which have raised once again the question of future allotments of aid.

You will recall that last spring, largely on the basis of reports received from Arthur Andersen and Company, MSA and the Department of State acted jointly to withhold the final allotment of Austrian FY '52 aid pending the receipt of certain assurances from the Austrian Government. These assurances concerned measures which the Austrian Government would take to correct abuses in

[4] Not printed.

[5] The source text has no signature.

the Austrian banking system which had been revealed by the audit investigation, and were promptly supplied in the form of six specific commitments contained in a letter from Chancellor Figl to Ambassador Donnelly, dated June 9, 1952. A copy of this letter is attached. [6]

A cable which recently arrived from our Mission in Vienna regarding implementation of the fourth commitment in Chancellor Figl's letter has prompted us to review the progress made on this as well as the other five assurances. The review indicates a record of nonperformance which causes us grave concern.

Assurance No. 1

Although the Austrian Government originally promised that a report on the Limor subsidiary of Creditanstalt would be available on 1 September 1952, the report has not yet been received. Meanwhile, we have received information from our Mission which tends to indicate that the report, if presented at all, will be so limited as to be of little value.

Assurance No. 2

The Austrian Government has offered no reimbursements to the United States Government, and the MSA Controller is now reviewing the various specific cases involved to determine what reimbursements can be required as a matter of United States law.

Assurance No. 3

I have no knowledge of any steps which the Austrian Government has taken to revise the Austrian banking statutes.

Assurance No. 4

We have received from our Mission a statement indicating that the present Austrian Government does not wish to employ outside technical assistance to survey its banking system, preferring to wait until after the election next spring. The Embassy in Vienna has expressed its doubts as to whether the present government could give effective assurances that the new government would carry out the banking survey, and implies that negotiations on the whole subject would have to begin again.

Assurance No. 5

As indicated above, we have received no report on the investigation of Limor. As far as I have been informed, the Austrian Government has undertaken no investigations of other partially owned foreign subsidiaries and has not required the liquidation of any such subsidiaries.

Assurance No. 6

As far as I have been informed, no disciplinary action of any nature has been taken against any individual, group or association

---

[6] Not attached to the source text, but see footnote 4, Document 803.

in connection with the findings of either the Austrian Supreme Court of Accounts or the firm of Arthur Andersen. While Mr. Draper and I were in Vienna last August, we were assured by officials of the Austrian Government that they, together with the Mission, would scrutinize the investigation reports with great care and would take firm and prompt action where such action was required. The Legal Division of USCOA has prepared a brief on the various cases involved and has left no reasonable doubt that grounds exist, if not for prosecution, at least for other types of disciplinary action on a wide variety of transactions.

The imminence of the Austrian elections, and the fact that the present government is serving only on an interim basis, complicates greatly the problem of obtaining full compliance on these commitments. The Austrian Government undertook the commitments, however, in full knowledge that an election was pending, and almost five months elapsed in which action could have been taken. The fact that satisfactory performance was obtained on none of the commitments leads us to suggest that we revert to the position of June, 1952 and suspend further allotments of aid until action is forthcoming.

I understand from members of my staff that this action has already been broached with the appropriate regional bureau of the Department of State. They were informed of the State Department's desire that, for political reasons, no action should be taken at this time which might affect the outcome of the Austrian elections. I am prepared, of course, to accept your judgment on the political factors involved. However, under present circumstances, I cannot with conviction assure the United States Congress that adequate steps are being taken to insure that funds allotted to Austria are properly handled. Accordingly, I feel compelled to express my desire that further allotments of aid to Austria be suspended pending action by the Austrian Government which would give us some assurance that aid funds were not being dissipated. Unless there are overriding considerations of a political nature to the contrary, MSA would wish to take prompt steps to this end.

I would appreciate hearing from you as to your views on this matter. [7]

Sincerely yours,

W. JOHN KENNEY

---

[7] For Bruce's reply, see his letter to Wood, Document 838.

No. 837

663.001/12-1552

The Acting Secretary of Defense (Foster) to the Secretary of State

TOP SECRET WASHINGTON, 15 December 1952.

DEAR MR. SECRETARY: Reference is made to your letter of 3 October 1952, [1] advising the Department of Defense with respect to developments concerning the Austrian treaty question, and requesting comments on the adequacy of Austrian internal security forces under certain contingencies.

The views of the Joint Chiefs of Staff upon this subject are attached as inclosure 1. [2] I consider that the recommendations of paragraph 11 [3] should become an integral part of the U.S. Government position concerning any withdrawal of occupation forces from Austria. If you agree, the Department of Defense suggests that steps should be taken to secure the necessary commitment by the Austrian Government concerning her post-ratification armed forces, and to explore the ramifications of a concurrent Western guarantee of Austrian integrity. It is fully recognized that these two subjects may require more detailed negotiations than can readily be achieved in the forum of the United Nations.

Because of the contingent possibility that a resolution calling for unconditional withdrawal might command substantial support in the UN General Assembly, the U.S. position in that body should be in consonance with these recommendations of the Joint Chiefs of

---

[1] Document 825.

[2] Not printed. This was a 5-page memorandum from the JCS to the Secretary of Defense, dated Nov. 18, 1952, outlining JCS views on the Austrian Treaty negotiations.

[3] Paragraph 11 reads as follows:

"Taking into account all of the foregoing, the Joint Chiefs of Staff consider that it will not be possible under any of the several contingencies outlined in the Department of State letter of 3 October 1952 to establish, prior to the withdrawal of occupation forces, Austrian armed forces immediately adequate to insure maintenance of the internal security of Austria. The Joint Chiefs of Staff are therefore of the opinion that the termination of the occupation under any of the prospective arrangements enumerated and without adequate Western guarantees or mutual agreements would be attended by serious risk to the integrity of Austria. Because of the added threat that would result therefrom, they would view as particularly undesirable the acceptance of any occupation termination arrangement which would permit agencies of the USSR to remain in Austria in control of a large segment of Austrian industry. In order to reduce the risk to an acceptable level, it is recommended that an effort be made in negotiating any occupation termination agreement in which political considerations are considered to be overriding, to secure (a) the commitment of the Austrian Government to the immediate post-ratification creation of armed forces numbering approximately 28,000 and acceptance of Western assistance in the formation of these forces, and (b) a concurrent Western guarantee of Austrian integrity."

Staff. Accordingly, the Department of Defense considers that any such resolution should receive the support of this Government only if amended to make withdrawal simultaneous and conditional upon four-power agreement, as well as upon relinquishment by the Soviet Union of control over so-called German external assets in Austria.

In view of their intimate connection with the preceding, there are attached as inclosures 2, 3 and 4 copies of memoranda by the Joint Chiefs of Staff and this office relating to the utilization of Austrian manpower.[4] I suggest that these studies should form the basis of mutual consultation between representatives of our respective departments in the near future.

Sincerely yours,

WILLIAM C. FOSTER

[4] None printed.

No. 838

863.00/12-1252

The Acting Secretary of State to the Acting Deputy Director for Mutual Security (Wood) [1]

SECRET [WASHINGTON,] December 16, 1952.

DEAR MR. WOOD: I wish to acknowledge the receipt on December 1 of Mr. Kenney's recent undated letter [2] urging that, unless there are overriding considerations of a political nature, further allotments of aid to Austria be suspended immediately pending action by the Austrian Government to fulfill certain assurances given in June, 1952, concerning measures to correct weaknesses in the Austrian banking system.

Although it is fully accepted that the six commitments to which Mr. Kenney referred and which were enumerated in Chancellor Figl's letter of June 9, 1952 [3] to Ambassador Donnelly have not been fully met, it should be noted that the Austrian Government has made definite progress in meeting various other requirements which have been attached from time to time during 1952 to the extension of United States aid. Austria, in carrying out its stabilization program which is one of the United States immediate economic objectives in Austria, has fulfilled some of its conditions such as

[1] Drafted by Collins and Nes.
[2] Attached to Document 836.
[3] Regarding Figl's letter, see footnote 4, Document 803.

control of credit volume, introduction of selective credit controls, repeal of Untersagungsgesetz, change of foreign trade administration, et cetera.

With regard to the six conditions mentioned above we should recognize that full compliance therewith depends in four instances on satisfactory completion of the investigation of Limor, a Swiss subsidiary of the Creditanstalt. In this connection, the State Department understands that provisions of Swiss banking law have made the completion of this investigation as it was originally envisaged most difficult and complicated. Despite these provisions of Swiss banking law, a reputable firm of Swiss accountants has made an audit of Limor and American attorneys have been engaged by Creditanstalt to obtain further information in an effort to bring the investigation to a successful conclusion. The other two conditions relate to a study of the Austrian banking system by a team of experts and subsequent changes to be effected in the Austrian banking statutes. Prior to the Cabinet crisis in late October the Austrian Government was quite willing to have the survey team in Austria but for one reason or another the team was not constituted; since the interim government took over, the presence of the team in Austria was felt likely to become a political issue in the campaign and the Austrian Government has indicated that it would prefer to have the team's arrival delayed until after the decisions. This Department shares that view.

Furthermore, we do not believe that withholding aid now which has been promised to Austria would be likely to bring about speedier action on the part of the present Austrian Government. As Mr. Kenney stated in his letter, Austria is now going through a preelection period and the present Government is merely an interim one acting in a caretaker capacity. Therefore, in our opinion, the United States should not invoke sanctions against Austria until the formation of a new Austrian Government following the February elections. In the meanwhile, it is probable that American pressure would merely play into the hands of extremist parties in these elections—both Nationalist and Communist. This, of course, would tend to weaken the electoral prospects of the Peoples Party and of the Socialists who constitute the true democratic forces in Austria and whose success at the polls is required for the continuation of the coalition government formula. Notwithstanding the imperfections of the latter, it appears to continue to be essential to the preservation of a friendly and democratic Austria. Preservation of such a regime capable of resisting the Soviets remains the paramount United States consideration relating to Austria. Under these circumstances, it is necessary for the time being to avoid action which

seems bound to aggravate Austrian political tensions without necessarily securing the desired results.

For the above reasons, the State Department cannot accept the proposal of cutting off aid to Austria at this time. It is felt that the final $15 million of direct aid already promised Austria for the first half of fiscal year 1953 should be made available promptly. I understand that the Austrian Embassy asked for the release of $14 million on November 12 in order to finance the import of corn. With national elections two months away, refusal to make this release will have unfortunate political effects definitely unfavorable to the best interests of the United States.

The State Department is most anxious, moreover, to work out an economic program with your Agency for discussion with the new Austrian Government as soon as it takes over following the elections.

Sincerely yours,

DAVID BRUCE

No. 839

763.00/12-1952: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

SECRET VIENNA, December 19, 1952—7 p.m.

1738. Ref Deptel 1652 Dec 10. [1] As Dept already informed, we have for some time been conscious of tense situation likely to develop should Socialists achieve plurality in coming elections, possibility of which hinges primarily on extent to which VDU-Aktion succeeds in drawing further votes away from People's Party (see Embtels 1410 [2] and 1428, [3] Embdesp 735 [4]).

Although there are comparatively few top People's Party leaders who would not view alignment with VDU with considerable misgivings we would probably find it most difficult to persuade them

[1] Telegram 1652 noted the possibility that the Socialists might win a plurality in the pending elections and that certain People's Party leaders might be considering forming a coalition with the VDU with or without the Socialists in order to avoid giving up the Chancellorship. It requested the views of the Embassy as to the effectiveness and propriety of top Embassy officials reemphasizing to coalition leaders the high regard of the United States for the contribution to political stability of the present coalition. (763.00/12-1052)

[2] See footnote 3, Document 836.

[3] Document 834.

[4] Despatch 735 reported on Gruber's activities in the Western provinces of Austria and his views concerning the VDU. (763.00/10-2152)

from this step in case Socialists emerge as first party. From beginning People's Party has made dogma of precept that Socialist predominance must be avoided at all costs but leaders are now somewhat more confident than some weeks ago, and there is consequently less talk of possible inclusion of VDU–Aktion in coalition.

Socialists leaders themselves appear none too anxious to see situation develop which would place them before alternatives of going into opposition or accepting VDU (which many SP members view as "Fascist") into coalition. Former would harm state and cause Socialists lose control nationalized industries and many jobs, latter would undoubtedly cause Socialists to lose sizable number of supporters to Communists. There has as yet been no authoritative Socialist statement as to what party would do in this eventuality, although Waldbrunner has said privately that Socialists would never agree to VDU inclusion.

Emb concurs in Dept's view that best tactic is positive one of stressing great services to Aust of present govt. In fact we have reiterated opinion in recent weeks that Ger Govt combination likely to achieve such political stability or deal as well with Aust problems and shall continue to emphasize this view to leaders of two parties in any future meetings or intimate discussions. As further boost, we contemplate inclusion in any public pronouncements during coming weeks praise for past achievement of "Aust Govt" and courage and solidarity with which it has faced state problems. Such statements as that recently made by Senator Connally also useful. Public criticism by US of govt performance in field econ reform will be avoided during campaign period in order not to provide ammunition which could be turned against big parties or by one against other (see Embdesp 876 Nov 12 [5]).

Emb also agrees any overt demonstration of dislike or distrust of VDU would be imprudent. However, in view of upsurge in Pan-German, pro-Nazi, anti-US attitudes in VDU during past year, we believe Emb can and should quietly carry out passive resistance to extremist encroachments on coalition vote. In this connection, we prefer that output US media support two big parties by concentrating on great achievements made by Aust Govt since war in bringing about increasingly stable econ and polit conditions in face of grave difficulties including Sov-Commie menace. In addition, two big parties should get equal opportunity to reach people through this mass media, (see Embdesp 915 [6]) while our attitude toward

---

[5] Despatch 876 transmitted the minutes of the Embassy's Information Projects Committee (IPC) meeting of Nov. 10 to the Department of State. (511.63/11-1252)

[6] Despatch 915 reported on arrangements for Austrian electioneering over USIS media. (511.63/11-2052)

VDU should remain reserved. Emb planning not to give VDU time on Red-White-Red if this can be avoided without major reaction (Embdesp 791 [7]). In view of special problem in Salzburg, propose we do not hesitate to warn VDU by indirection by exploiting possibilities to embarrass *Salzburger Volksblatt* and exercising pressure on *Salzburger Nachrichten.*

Though fusion with Aktion has increased respectability somewhat, there are no signs thus far VDU plans extensive purge in near future. Kraus recently told Emb reps that Gasselich [8] and one or two others might be ousted soon, but time would not be ripe for major ejection of radicals at least until eve of next elections after 1953. Stueber [9] reported to have received Aktion approval after signing statement he did not advocate *Anschluss.* Emb proposes continue cautious working level contact with more moderate VDU-Aktion leaders and encourage their known resistance to extremist elements.

THOMPSON

[7] Despatch 791 transmitted the minutes of the Embassy's IPC meeting of Oct. 27. to the Department of State. (511.63/10-3052)

[8] Anton Gasselich.

[9] Fritz Stueber.

No. 840

Editorial Note

After consideration of a resolution proposed by Brazil, Lebanon, Mexico, and the Netherlands calling upon the occupying powers to reach agreement on an Austrian Treaty, Committee I (Political and Security) of the United Nations adopted the resolution by a vote of 48–0–2. The plenary session of the United Nations General Assembly approved the resolution on December 20. For the statement made by Benjamin V. Cohen, the United States Representative to the General Assembly, before Committee I on December 18, see Department of State *Bulletin,* January 12, 1953, pages 67–70; for text of the resolution, see *ibid.,* page 68. For Gruber's account of these proceedings in the United Nations, see *Between Liberation and Liberty,* pages 205–216.

No. 841

763.0221/12-3052: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, December 30, 1952—6 p.m.

1844. Reference (a) ourtel 1568 December 5; [2] (b) 1810 December 24; [3] (c) ourtel 46 to Moscow rptd Dept 1832 December 30. [4]

Pursuant threats reported reftel (a) and (b) Soviets initiated action December 24, lasting several days, of sending military details to all Soviet Zone *gendarmérie* posts to confiscate all rubber truncheons. Austrian Government and most *gendarmérie* officials did not direct gendarmes to turn in truncheons, but told them not to resist removal. Reports indicate removal has proceeded with minimum assistance but negligible interference from gendarmes themselves. In one or two cases, those who offered minor resistance have been ordered out of zone by Soviets.

Austrians addressed letter of protest to AC December 23 which Soviet Chairman failed to deliver to other elements until late 24th.

Question equipping Austrian police and gendarmes has long and complicated history of Soviet obstruction. Gendarmes authorized carry rifles in 1946 subject AC approval of plan of utilization which Soviets never gave, but rifles long issued in all zones anyway. 1947 AC decision approved issue "hardwood truncheons" to "police of all ranks". Rubber truncheons issued to gendarmes in lieu of sabers over past two years by Austrians after notification of four occupying powers. Three Western Powers agreed while Soviets never acknowledged letter.

Precise purpose this half-way measure Soviet interference not clear, but obviously connected with forthcoming election and with other demands reftel (a), all of which would tend to reduce government control and could be used support Volk on opposition in Soviet Zone, particularly crucial Wienerneustadt area. Soviets may want freer hand for terrorist pressure during campaign and for breaking up non-Communist political meetings; may intend discredit Minister Interior Helmer and Socialists; may be releasing

---

[1] Repeated to Moscow, London, and Paris.

[2] Telegram 1568 reported Soviet efforts to pressure Interior Minister Helmer to accept a series of demands concerning the Austrian police. (863.511/12-552)

[3] Telegram 1810 reported the decision of the Austrian Cabinet to withdraw the rubber truncheons from the Austrian police in face of an ultimatum from the Soviets, although a protest would be sent to the Allied Council. (763.0221/12-2452)

[4] Telegram 46 requested information from Moscow concerning the arms and equipment of police officials in Moscow. (763.0221/12-3052)

trial balloon with intention push control further if unopposed this time. Last feature troubles us most since practical effect this move not too great considering other possibilities impromptu armament and proven ability Socialist activists to handle Commies.

In view customary Soviet technique of moving first against police in any area they intend to take over, we are concerned by possible seriousness Soviet action and propose strong reaction, calling attention that this is a retrograde step in liberation of Austria and direct interference with Austrian obligation maintain internal security. British and French seem less concerned and former at first took attitude we should almost ignore situation as unimportant. We have agreed, however, request Soviets call special meeting Internal Affairs Directorate for December 31. If Soviet Chairman evades doing so, US Chairman will call meeting January 2 (no AC or EC meeting that day) with objective bringing matter to EC January 9 and AC January 16. First objective of directorate meeting will be to probe for Soviet position. Today's *Oesterreichische Zeitung* states Soviet element is only forcing Minister Helmer to obey AC decisions which is obvious nonsense. [5]

THOMPSON

[5] Following a confrontation with the Soviets in the Allied Council meeting of Jan. 16, 1953, concerning the seizure of the *gendarmérie*'s truncheons, telegram 2053 from Vienna, Jan. 16, reported that the three Western High Commissioners were in agreement that the basic motivation for this Soviet action was probably their anger at the intransigent and defiant attitude displayed by Interior Minister Helmer and the Soviet desire to show the Austrians who was boss. They also agreed that no further action in this field by the Soviets seemed likely at present and therefore any governmental statements on the subject would be unwise. (763.0221/1-1653)

No. 842

663.001/1-1253

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State [1]

SECRET [WASHINGTON,] January 12, 1953.

Subject: Austrian Treaty

As you are aware, despite the Four Power commitment in the Moscow Declaration of 1943 to restore Austria's independence, Austria is still occupied by U.S., U.K., French and Soviet troops. We, together with the British and French, have been endeavoring since

[1] Drafted by E. P. Allen and cleared by Collins, Byington, and Bonbright. A handwritten notation on the source text indicates that the new Secretary of State, John Foster Dulles, saw this memorandum.

1946 to conclude an Austrian treaty, but without success because of Soviet intransigence. In view of the failure to agree upon the terms of a State Treaty, the Western Powers proposed to the Soviets, on March 13, 1952, an abbreviated treaty consisting only of the essentials required for the restoration of Austria's independence. [2] In an exchange of notes the Soviets refused to consider this abbreviated treaty, despite our offer to amend it to meet their specific objections, and raised again, as they have for the past several years, the extraneous issues of Trieste, demilitarization and denazification.

The Austrian question was subsequently placed on the agenda of the United Nations General Assembly by Brazil. [3] UNGA adopted a resolution on December 20, 1952, by a vote of 48–0 with the Soviet bloc and two other nations abstaining, appealing to the Governments of the four occupying Powers to make a renewed and urgent effort to reach agreement on the terms of an Austrian treaty with a view to an early termination of the occupation.

Following adoption of the UNGA resolution, agreement has been reached with the British and French, with the concurrence of the Austrian Government, for the transmission to the Soviet Government of notes by the U.S., U.K. and France, suggesting an early meeting of the Austrian Treaty Deputies in London. These notes were delivered in Moscow on January 12. [4] The Austrian Treaty Deputies have not met since December, 1950. Formal invitations will be issued on January 14, through the Secretariat General of the Austrian Treaty Deputies, to a meeting of the four Deputies in London on January 30.

Samuel Reber, Jr. served as U.S. Deputy for the Austrian treaty negotiations during the period of the most recent active negotiations in 1949–1950. He is no longer available for this assignment because of his pressing duties as Acting U.S. High Commissioner in Germany. It is anticipated that Walter C. Dowling, Counselor of Embassy and Deputy U.S. High Commissioner in Vienna, will be recommended for assignment as U.S. Deputy for the current negotiations, if the Soviets agree to attend the proposed meeting. Mr. Dowling is a career Foreign Service Officer (FSO–1) and is considered the best qualified officer for this assignment.

---

[2] Regarding this note, see Document 794.

[3] Regarding the U.N. resolution on the Austrian Treaty, see Document 840.

[4] Regarding these notes, see the editorial note, *infra*.

No. 843

Editorial Note

On January 12, the United States, the United Kingdom, and France sent a joint note to the Soviet Government calling its attention to the United Nations General Assembly resolution of December 20, 1952, and announcing their intention to call a meeting of the Austrian Deputies in London at an early date. Two days later, invitations were issued for a meeting of the Austrian Deputies in London on January 30. In reply to the tripartite note of January 12, the Soviet Union sent a note to the United States Embassy in Moscow on January 27 stating that its attendance at the proposed Deputies meeting was conditional upon the withdrawal of the Western proposal for an abbreviated treaty.

The Governments of the United States, the United Kingdom, and France sent a joint response to the Soviet Government on January 29 stating that it was not appropriate to impose prior conditions on the proposed Deputies meetings and reemphasizing their willingness to discuss all matters relevant to the speedy conclusion of a treaty. It also repeated the invitation to meet in London on January 30, or on February 6, if the Soviet Government preferred the later date. On February 3, the Soviet Treaty Deputy sent a letter to the Secretary General of the Council of Foreign Ministers stating that he would participate in the meeting in London on February 6 with the understanding that the abbreviated treaty was not on the agenda.

For the tripartite note of January 12, see Department of State *Bulletin*, January 26, 1953, page 135; for the Soviet note of January 27 and the tripartite note of January 29, see *ibid.*, February 16, 1953, pages 259–261. Documentation concerning the drafting of the tripartite notes is in file 663.001.

No. 844

663.001/2-353: Telegram

The Acting Secretary of State to the Embassy in the United Kingdom [1]

SECRET NIACT WASHINGTON, February 4, 1953—6:20 p.m.

5177. Dept assumes British, French, and Austrians (Vienna's 2248 [2]) hope Soviets will attend Feb 6 meeting and prefer tactics at meeting be designed to keep Soviets there. In light of above assumption and Soviet note and letter (London's 4281 [3]) Dept suggests tactics Deptels 4713 [4] and 4956 [5] should be modified. West Deputies should avoid providing Soviets excuses to walk out and should not introduce abbreviated treaty at beginning of meeting but rather wait until Soviets have demonstratéd that they want no treaty at this time.

Dept thinks that if Soviets attend meeting, chairman after a review of treaty history with emphasis on Soviet obstruction and Western interests in quick conclusion of a treaty might ask Soviet Deputy for his views. If he introduces extraneous issues, answer is clear. If Soviets request discussion on basis long draft treaty, you should declare readiness to do so but at same time attempt to center discussions on Article 35 as prime example of outmoded and punitive nature of long draft treaty (para 4 Deptel 4713). Dept considers it would be unwise to become involved in discussion of five unagreed articles before West position on Article 35 has been made clear. Above, of course, will depend upon your ability obtain French and U.K. concurrence in these tactics. However, if at any point Soviets stall on purely procedural point, or in any way clear-

---

[1] Drafted by Collins and cleared by Land, Roberts, Freimarck, Barbour, E.P. Allen, Byington, and Bonbright. Repeated to Paris, Moscow, and Vienna.

[2] Telegram 2248 summarized a meeting between the Western High Commissioners and Vollgruber in which Vollgruber stressed the importance of getting the Russians to the conference table and of not allowing them to break off negotiations on the basis of the Western powers' insistence on a discussion of the abbreviated treaty. (663.001/2-453)

[3] Telegram 4281 transmitted to the Department of State a translation of the text of the Soviet letter of Feb. 3. (663.001/2-353) Regarding the Soviet note of Jan. 27 and the letter of Feb. 3, see the editorial note, *supra*.

[4] Telegram 4713 proposed a series of considerations to serve as a guide for Western tactics in the event that the Soviets attended the proposed meeting of the Deputies for the Austrian Treaty on Jan. 30. (663.001/1-1553)

[5] Telegram 4956 stated that the Department of State favored the British position that the Western powers press their insistence to talk on the basis on the short draft not only to the point where the Soviets have refused, but also to the point where the Soviets insist that the West withdraw the short draft. It stressed that every effort should now be made to establish positively that the abbreviated treaty represents the present Western position. (663.001/1-2053)

ly demonstrate unwillingness to conclude treaty at this time, or if you are placed in untenable position, or at any time you consider opportune you should take occasion to introduce abbreviated text. Expression of West's unwillingness to be [any?] longer bound by Article 35 and introduction of abbreviated text are definite objectives to be made before a possible Soviet walkout.

All above subject your discretion.

Foregoing considerations are, of course, purely tactical. US position continues to be based on abbreviated treaty.

MATTHEWS

No. 845

763.001/2-553: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET PRIORITY VIENNA, February 5, 1976—noon.

2256. At meeting of Western HICOMs with Gruber this morning, latter expressed satisfaction that meeting would take place. On tactics he emphasized importance of keeping meeting going as long as possible and suggested that if discussions could not be prolonged until after Austrian elections, might be advisable suspend meeting with fixed date for resumption after elections. If break could not be prevented, meeting should conclude with report to Foreign Ministers.

Gruber suggested Western Powers might state at outset their purpose was to conclude Austrian treaty on basis that was bearable for Austria; if this could be done on basis discussion long draft very well, if not, they reserved right to make any other proposal. He urged an article-by-article discussion and said it would be tremendous help in Austria if West Powers could reach agreement on even one of unagreed articles thus demonstrating their sincere desire to conclude treaty and placing the onus for failure on Soviet insistence upon exactions on Article 35. He advised delaying full substantive discussion of Article 35 as long as possible and warned that possible Soviet move might be to propose inviting Austrian representative to state his views. Gruber said he could express Austrian Government views on treaty as whole without difficulty but would be embarrassed if forced state his position on Article 35. He said frankly reason was that Austrians would pay almost any price

[1] Repeated to London for Dowling and to Paris and Moscow.

they conceivably could to get Russians actually out of country and believed that once out they could prevent their return. He estimated that Russians are currently taking 50 million dollars a year out of their enterprises in Austria and while Austria would have to have assistance to meet high Soviet price, they would want first to know what price was, then to consult with West countries as to what help they could get, and finally to put matter up to Austrian Parliament.

Gruber does not believe the Russians will raise directly question of Austrian neutrality at this meeting and thought that if they did deputies could refuse discuss it on basis on Article 1 of treaty which returned Austria her sovereignty and on basis that Foreign Ministers' instructions to deputies made no mention of this matter.

Lalouetter, French deputy HICOM, is leaving for London by air at noon today and can furnish Dowling further details of discussion.

THOMPSON

No. 846

663.001/2-653: Telegram

The Chargé in the United Kingdom (Holmes) to the Department of State [1]

SECRET PRIORITY LONDON, February 6, 1953—8 p.m.

4371. From Dowling. At two and three-quarter hour session this afternoon [2] Western Deputies were unable to budge Gromyko from position that abbreviated treaty must not only not be discussed, but actually withdrawn before consideration other matters.

After opening statements Western Deputies Gromyko cited his letter of February 3 accepting invitation to meeting and asked for assurances short treaty had been withdrawn. It was argued by US chairman that meeting took place on basis US note Jan 29 and Gromyko's letter February 3. [3] It was admitted that his letter could be construed as basis on which he attended, but that US attendance must likewise be based on US note, i.e., "readiness to discuss

---

[1] Repeated to Paris, Moscow, and Vienna.

[2] The meeting summarized in this telegram was the 259th session of the Austrian Treaty Deputies. The last meeting of the Deputies took place in London in December 1950; for a record of this meeting, see *Foreign Relations*, 1950, vol. IV, p. 472. Documentation concerning the meetings in February 1953 is in CFM files, lot M 88, box 117, "Meeting of the Deputies for Austria, London, January–August 1953".

[3] See Document 843.

without prior conditions any and all matters relevant to the speedy conclusion of an Austrian treaty".

After further argument British Deputy said he was prepared to lay aside short treaty and not discuss it so long as constructive progress was being made toward conclusion of an Austrian treaty, but could not go beyond this. To this Gromyko replied that he could not accept this position and reiterated that abbreviated treaty must be withdrawn. At this stage chairman suggested meeting be adjourned and that Deputies meet again on Monday. This was accepted without discussion.

West Deputies are meeting tomorrow morning to discuss tactics for next session. It is evident, however, that meetings can not continue on present basis. My tentative recommendation is that Western Deputies attempt once more to reach agreement along lines British suggestion set forth above. If Gromyko still insists on withdrawal abbreviated draft, I believe Western Deputies should each make full statement outlining Western position. This should include flat charge that Soviets are resorting to yet another pretext to delay conclusion of Austrian treaty and even prevent serious negotiation; point out that long draft is outmoded and not equitable for Austria; that Article 35 was agreed in principle on basis understanding treaty as whole would be concluded by September 1, 1949 and agreement to it has therefore lapsed; and finally that Western powers, while still prepared to "accept any treaty in terms adequate to restore Austrian independence and ensure freedom from foreign domination," have no choice but to insist on abbreviated treaty as only solution for Austrian question. [4]

HOLMES

[4] In telegram 5257 to London, Feb. 7, the Department of State informed Dowling that it concurred with the procedure recommended in this telegram. It noted, however, that if the British proposal for not discussing the abbreviated treaty should be followed, it should be made clear that the West was not withdrawing the short draft. (663.001/2-653)

No. 847

663.001/2-953: Telegram

The Chargé in the United Kingdom (Holmes) to the Department of State [1]

SECRET PRIORITY LONDON, February 9, 1953—8 p.m.

4399. From Dowling. Treaty deputies met three and one-half hours this afternoon [2] with Gromyko maintaining his demand that abbreviated treaty be withdrawn before other questions discussed.

In accordance with agreement reached by west deputies this morning, tactics outlined Embtel 4379, February 7 [3] were followed. After firm statements by west deputies and reiteration his position by Gromyko, offer contained reftel was made by US representative and accepted by UK and French deputies. Gromyko again insisted on withdrawal of short treaty whereupon French chairman attempted to draw him out on discussion of long draft. He met all queries with statement that only after withdrawal of abbreviated treaty could "other matters related to Austrian question" be discussed. He refused to give any further clarification of his position despite French chairman's reminder that west powers had been met with Soviet insistence on extraneous issues in past and it appeared that Soviets were still not prepared to discuss treaty itself.

At this stage, it was obvious that further meetings could have no useful purpose and western deputies thereupon made their statements charging Soviet obstruction, and saying they must report to their governments, but reiterating willingness to accept any treaty adequate to ensure Austrian independence and freedom from foreign domination as well as their readiness to discuss any and all matters conducive to speedy conclusion of treaty. French chairman thereupon proposed adjournment of meeting with suggestion that next session be called by British chairman at his discretion in few weeks time which would allow Soviet deputy consult his govern-

---

[1] Repeated to Paris, Vienna, and Moscow.

[2] The meeting summarized in this telegram was the 260th meeting session of the Austrian Treaty Deputies. Regarding the earlier meetings, see footnote 2, *supra*.

[3] Telegram 4379 reported on the meeting of the three Western Deputies held on Saturday, Feb. 7, and summarized the tactics to be employed by them during their meeting with the Soviet Deputy on Feb. 9. The agreed tactics were as follows: a firm statement of the Western position, including the charge that the Soviets were again obstructing serious negotiations; an offer by the French Deputy, serving as Chairman, to withdraw the abbreviated treaty if an equitable treaty on any other basis could be concluded without further delay; and, if as expected the Soviet Deputy reiterated his demand that the abbreviated treaty be withdrawn, the Western Deputies would repeat their charge of Soviet obstructionism and conclude the meetings by saying they must report to their governments. (663.001/2-753)

ment. This last was agreed upon at western deputies meeting this morning in deference to Austrian Government's views as expressed by Gruber and also as means of maintaining pressure on Soviets.

Western deputies will meet tomorrow morning to consider future courses of action as suggested Deptel 5271, February 8. [4]

HOLMES

[4] Telegram 5271 instructed the Western Deputies to continue to meet, if the Soviet Deputy walked out of the meeting as expected, for the purpose of drafting recommendations concerning future action on the Austrian Treaty. (663.001/2-753)

No. 848

663.001/2-1053: Telegram

The Chargé in the United Kingdom (Holmes) to the Department of State [1]

SECRET LONDON, February 10, 1953—5 p.m.

4418. From Dowling. Western Deputies met this morning consider report to governments. The following recommendations were agreed:

1. In accordance with agreement at conclusion yesterday's meeting British chairman should issue invitations through Secretary-General at the end of month for Deputies meeting early March "to resume negotiations on Austrian treaty with view to its speedy conclusion."

2. If, as is anticipated, Soviet Deputy again poses withdrawal of abbreviated treaty as condition for meeting, note to Soviet Government is envisaged, perhaps followed by report to UNGA. In light of Gruber's views set forth Vienna's 2295 February 9 [2] to Department, however, governments will presumably wish Western High Commissioners to consult further with Austrian government after Austrian elections and submit their recommendations before subsequent course of action is finally determined.

There was general agreement that series of meetings just concluded served useful purpose in clarifying Soviet attitude and in demonstrating effective pressure exerted on them in abbreviated treaty, although it was recognized that Soviet still intend to avoid serious negotiations on treaty and were utilizing demand for withdrawal as pretext to that end. Intransigence of Soviet attitude was

[1] Repeated to Paris, Vienna, and Moscow.

[2] Telegram 2295 reported that Gruber was strongly opposed to any action to withdraw Article 35 before the new Austrian Government was formed. (663.001/2-953)

in itself regarded as evidence of embarrassing position in which Western moves and particularly short treaty have placed them.

HOLMES

No. 849

763.00/2-1353: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

SECRET VIENNA, February 13, 1953—7 p.m.

2379. In view of forthcoming elections and report submitted in Embtel 2332 February 11 [1] reviewing current Austrian economic situation, following evaluation of political situation in Austria may be helpful to Department in its consideration of future policy re Austrian treaty and review of US policies toward Austria.

Election campaign has been relatively dull with both coalition partners showing remarkable restraint in view of known major differences between them. Since party loyalties are exceedingly stable in Austrian election turns on opinions of a relatively few voters. Communists are not expected improve their showing significantly and might even lose some of the five Parliament seats they now hold although some doubt exists because of uncertainty extent to which voters may be taken in by People's opposition label.

No great change expected in highly disciplined Socialist vote and party might gain or lose a few seats.

VDU, which is conglomeration of neo-Nazis, nationalists, Pan-Germans, and persons simply dissatisfied with long coalition rule, is most difficult to predict. Consensus appears to be that they will increase their present representative of 16 to a figure ranging from 18 to 25. Any prediction is the more difficult as internal tensions within party appear to be increasing with the election campaign.

Most of VDU gains are expected to be at expense of People's Party which might be reduced from present 77 to neighborhood of 70 seats. Most important election possibility, therefore, is that Socialists who now hold 67 seats could come out of election as largest single party although their leaders do not actually appear to expect this.

---

[1] Telegram 2332 reported on Austria's economic situation noting that success in this area had been achieved so far largely on the basis of U.S. aid totaling $1.4 billion with the impressive result that industrial production was between 60–70 percent above the prewar level. It also noted that U.S. interests in Austria were primarily political and that trade between the United States and Austria or foreign investments were of small significance to the United States. (763.5 MSP/2-1153)

Despite calmness campaign, and regardless of election results, negotiations over formation of government are likely to be bitter and extended. This is result not only of basic differences over economic policy reported in reference telegram, but also unrest and dissatisfaction with coalition on part of right wing of People's Party and left wing of Socialists. The former in particular feel that People's Party has come off second best in coalition government compromises with Socialists and that stronger attitude is called for. It was this feeling which in measure brought about fall of government in October and precipitated elections. This feeling also gives rise to numerous rumors that Figl will be replaced by Raab, Hartman, Hurdes, or other People's Party leader. There are similar rumors that Socialists might replace Schaerf by Waldbrunner for similar reasons. There is much discussion of possible People's Party coalition with VDU or attempt to bring VDU into government. This appears to be inspired chiefly by desire of People's Party to improve negotiations position with Socialists who would almost certainly refuse to enter coalition with that group. VDU candidates appear to be of much higher calibre than their present representative in Parliament but future orientation of Party itself and cohesion of its elements impossible to predict.

Chief political problem for Austria remains the state treaty and end of occupation. While burden of occupation weighs ever more heavily Austrian people seem realistic and remarkably resigned to its continuation. Foreign Minister Gruber's preoccupation with state of Austrian opinion this subject believe in large measure attributable personal identification with efforts to conclude treaty and effect on his political fortunes of any action implying recognition of failure. His current policy is to force Soviet to state price for conclusion of treaty and then to see whether amount of assistance from West, meaning, of course, the US, would reduce burden to point where Austrian Government would be willing to carry it. Advantages of Soviet withdrawal are so great that disposition of Austrians particularly in Soviet Zone would probably be to pay almost any price they could possibly meet. Most effective Communist attack on Austrian Government and West Powers has been to attribute failure conclude treaty to lack of Austrian neutrality, and should serious treaty discussions ever develop it would be astonishing if Soviets failed to exploit this situation. Austrians are aware that Soviets have never fully exploited their position in Austria and that present onerous situation could become well nigh intolerable should they decide to do so.

Despite Soviet propaganda and VDU extremism Embassy does not believe there is currently serious recrudesence of Nazism in Austria although dominant position which Nazis have hitherto

maintained in VDU is cause for concern. Problem which is likely to be more serious in future is that of Pan-Germanism over which both Soviets and French have shown great concern. This feeling which has traditionally been held by approximately 20 percent of Austrian population will doubtless be stimulated as Germany regains economic and political strength, if Austria remains under occupation.

Embassy does not believe Austrians likely voluntarily to turn to Communism in any circumstances. Danger could result from increased Soviet pressure in lower Austria should population feel their situation hopeless but they have already shown great courage in withstanding such tactics. Another serious threat to Austrian political stability could come from economic breakdown, but otherwise no rupture of social peace is foreseen for duration of occupation, owing to unifying force of common resistance to Soviet threat.

We are somewhat concerned as to what Soviet reactions in Austria may be to repeated poor showing of Austrian Communists in elections, and increased East West tensions, particularly in Germany. Soviet action to force partition is always possibility and although we do not expect precipitant action because of risk of war, creeping paralysis by steady Soviet encroachment would be most difficult to handle.

One of chief US problems in Austria continues to be development sound economy which difficult in country where every government action must be negotiated by political parties holding sharply opposing economic philosophies and representing distinct class interests and where even the laundries have a political label. One of our most difficult immediate problems will be that arising out of application of East West trade controls. Considering situation in Austrian controls have been remarkably effective, but strains are developing which, in face of decreasing American aid and greater export trade problems, will be increasingly difficult to withstand. We also have usual problems arising from long continued occupation which is exaggerated by location of our troops in area of Salzburg and housing shortage. Latter is also related to refugee problem which continues burdensome.

THOMPSON

No. 850

663.001/2-1853: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, February 18, 1953—7 p.m.

2431. Western High Commissioners discussed future procedure regarding Austrian treaty (Deptel 2424 February 16 [2] and London's 4418 February 10 [3]). French and British expressed concern with unsatisfactory position in which we now find ourselves before Austrian public opinion, which enables Soviets to allege we are blocking progress by our insistence on technical point of refusing formally to withdraw abbreviated draft. They were particularly disturbed by article in government coalition paper *Neues Oesterreich* (Embtel 2411, February 17[4]). They wished to recommend some formula whereby at next Deputies meeting or in prior exchange of notes we would agree formally to withdraw short draft and insist Soviets agree to discussion of long draft without other conditions.

I argued that Soviets clearly were unwilling actually to conclude treaty even if we accepted their version of long draft. They agreed this was true and that what we must consider is a propaganda position. I then pointed out that their formula would mean we would have given up short draft and important question of principle this involves without having actually obtained anything from Russians. Our willingness to do this would indicate that we are willing to conclude treaty without taking account of Russian exploitation since 1949. I persuaded them to agree to recommend to their governments an approach which would have the advantage of forcing Russians either to accept formal withdrawal of their conditions regarding Trieste, remilitarization, etc. or refuse to state their position, either of which would clearly strengthen us propagandawise. Should Russians agree to withdraw their conditions we would have secured strong point in that they would have exposed fact that these points had no substance and had been raised merely to block treaty progress. Moreover, it would assist us here in countering further Soviet attacks against Austrian Government. In event their withdrawal, however, we would, of course, be virtually obliged to

---

[1] Repeated to Moscow, London, and Paris.

[2] Telegram 2424 noted the Department of State's agreement with the view that the Soviets had clearly indicated that they had no intention of undertaking serious treaty negotiations. (663.001/2-1053)

[3] Document 848.

[4] Telegram 2411 summarized an article which described the abbreviated treaty as invalid and as already abandoned by the Western powers. (963.61/2-1753)

withdraw short draft, and I, therefore, made clear I had no indications what Washington's views on this proposal would be.

Western High Commissioners decided it would be preferable not to inform Austrians of this possible approach pending agreement by three governments, in order to avoid any possible leak regarding plans. It was felt, however, that we should see Gruber to obtain current views of Austrian Government, and this was done last night. Although Gruber reiterated thesis of division of opinion East and West Austria (Embtel 2295, February 9 [5]), and admitted *Neues Oesterreich* editorial reflected to some extent opinion in Soviet zone, where there was no need for further Western move for meeting at this time. In conversation, he developed following points:

(1) Go slowly, so that impact of Western moves on Austrian opinion would come later in spring when elections and formation of new government out of way;
(2) Attempt clarify Soviet position, either in Deputies meetings, contacts with Soviets in Vienna or Moscow, or through notes to Soviet Government;
(3) Endeavor resume negotiations at early date, possibly first part of April, for which invitations to Deputies meeting could be issued latter half of March, thus affording opportunity for Western Powers to consult with new Austrian Government before negotiations actually resumed.

In further meeting this morning, West High Commissioners agreed that approach set forth paragraph 2 above was consonant with Austrian views, and decided to recommend to three governments that Soviets be queried by note re position prior to another meeting of Deputies. We proposed draft note contained my next following telegram. [6] British and French High Commissioners also submitted draft notes which differed from ours in reviewing situation at end of recent Deputies meetings and more importantly in posing query on basis "if abbreviated treaty were formally withdrawn". It was agreed three texts could be reconciled here in light of comments of three governments and if they so desired. British and French texts being despatched airmail for Department's consideration. [7]

Re timing, it was agreed that for Austrian opinion, favorable time for despatch of notes would be end of month. This would also presumably forestall any Soviet propaganda alleging failure of Deputies chairman to call meeting as suggested in last session.

THOMPSON

---

[5] See footnote 2, Document 848.

[6] Reference to telegram 2432 from Vienna, Feb. 18. (663.001/2–1853)

[7] The British and French texts were transmitted to the Department of State in despatch 1435 from Vienna, Feb. 19. (663.001/2–1953)

No. 851

663.001/2-1953: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

TOP SECRET VIENNA, February 19, 1953—1 p.m.

2435. Further to my telegram 2431, February 18, [2] I believe we shall face increasing difficulties in our negotiations on Austrian treaty with British, French and Austrians, as well as with Soviets, unless we review and firm up Western position on certain basic issues and confirm Austrian concurrence therewith. For example, if Soviets should agree under formula proposed in my reference telegram to another meeting of deputies, we should have to determine what our position is on unagreed articles of long draft.

In second place, I believe we should decide whether it would be preferable to reopen agreed articles with view to elimination or revision of outmoded and undersirable provisions, or to maintain Western position stated in December 15, 1950, deputies meeting [3] that agreed articles can not be modified.

First course is obviously one we must choose if we are to obtain any more equitable treaty for Austria. In this case, however, Soviets are certain to raise question of neutrality and to demand effective modification of Articles 1 and 2 on Austrian sovereignty and independence. Also, they would be able to create further difficulties on Article 9.

Second course would serve to block Soviet attempts to include neutrality provisions in treaty. They could of course, approach Austrians directly for commitment on this question as price for treaty ratification, and if we should ever reach this point it would be well for us to secure assurances from Austrian Government in advance to forestall any such Soviet maneuver.

Middle course might be to hold position that agreed articles can not be reopened with exception of Article 35, on which agreement in principle was conditioned on understanding agreement on treaty as whole would be reached by September 1, 1949. This might, however, lead to our involvement in risks of both first and second courses.

---

[1] According to an instruction drafted by E. P. Allen and cleared with Collins, the text of this telegram was repeated to Paris, London, and Moscow on Feb. 26. (663.001/2-1953)

[2] *Supra.*

[3] For a record of the 258th meeting of the Austrian Treaty Deputies on Dec. 15, 1950, see telegram 3481, *Foreign Relations*, 1950, vol. IV, p. 472.

Nub of question, as Department has stated, is what kind of treaty can be concluded which would give Austria reasonable chance of maintaining political and economic independence.

Personally, I am inclined to agree with local British and French view, which I believe reflects opinions of most Austrians, that it would be to advantage of both West and Austrians to end occupation and reverse tide of Soviet expansionism even at cost of unmodified long draft with Article 35 as it stands. This would of course, require material assistance from US, but I believe it would be worth price and that with reasonable amount of US assistance, Austria could maintain her integrity in fact of anything short of direct aggression.

In this connection, it must be kept in mind that we would not be giving up a strong position in Austria in exchange for settlement not entirely to our satisfaction. Soviets have unexploited potentialities of pressure here which although long in abeyance could still be used to bring east Austria under their domination. Moreover, eight years of occupation have created situation in which Austrian people, and especially those in Vienna and Soviet Zone, would not be inclined to quibble at price for early treaty, but could be led through Soviet blandishments to accept even grave risks for future if it meant immediate Soviet withdrawal. Greatest danger to me appears to be tremendous appeal which Soviet proposal for neutralization of Austria would have if they could persuade Austrians it would lead to prompt end of occupation.

I am, of course, not able fully to judge military advantages or disadvantages of Austrian independence under long draft treaty, although it would seem that parts of Austria which we would in any event want to defend would be readily accessible to us from NATO-held territory in event of necessity. I am also uncertain as to what effect such treaty would have on situation in Germany. It seems clear, however, that psychological and political advantages of Soviet retreat would be enormous, and would have profound effect in satellite states.

THOMPSON

No. 852

763.00/2-2053: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

CONFIDENTIAL VIENNA, February 20, 1953—7 p.m.

2461. In late stages of campaign, Peoples Party has sought to win over fringe voters by exploiting bugbear of "Red" (Socialist) Chancellor, and pointing to "shift-to-the-right" trend in America and Europe; denouncing VDU policies as endangering Austria's territorial unity; flaying splinter parties as hirelings of Socialists who interested in seeing non-Marxist votes wasted. Socialists have replied to PP by reviving 1947 scandal of secret PP-Communist talks, pointing to services of Renner and Koerner to Austrian Republic, and charging PP had considered ousting Figl in favor of "Raab-Kamitz minority Cabinet"; Socialists also lambasting VDU by recalling past results of Pan-Germanism for Austria and continuing strong attacks on Communists as Soviet stooges, etc.

Despite heat generated in these exchanges, campaign remained on the whole calmest, most moderate and objective of eight Parliamentary campaigns in history of Austrian republic. Political leaders from both big parties have cited this fact as demonstrative proof of Austrian political maturity and firm establishment of democracy in Austria.

On eve of vote, earlier general opinion no landslide to be expected has become more firm. Almost all observers opine that: Communists will not do much more than keep present mandate strength, VDU sure to be biggest and perhaps only winner, most VDU gains will be at expense of Peoples Party, but latter will retain narrow plurality over Socialists who will deviate only slightly from present strength. Some Socialists, including Schaerf, believe SP has real chance to obtain plurality, and PP leaders do not entirely discount this. Current guestimates tend to put new mandate distribution at PP 69–75 (77 in 1949) SP 65–70 (67), VDU 18–24 (16), Communists 3–6 (5). All observers admit difficult assess VDU strength with accuracy, and any upset apt to be result their gain or loss beyond present anticipations.

Party negotiations on composition of new government expected to begin on Monday and may last well into first half of March, because of likely SP demands for more representation in Cabinet and strong PP resistance to any encroachments on key PP positions.

VDU inclusion still appears unlikely, will hinge on vote outcome and developments in course of PP–SP negotiations.

THOMPSON

No. 853

Editorial Note

On February 22, the Austrian general elections were held with the following results: People's Party, 74 seats (77 in 1949); Socialist Party, 73 seats (67 in 1949); League of Independents, 14 seats (16 in 1949); and pro-Communist faction, 4 seats (leftist bloc had 5 in 1949). Following the resignation of the previous government on February 25, President Koerner asked Leopold Figl to form a new government on February 28 after he had been designated by the People's Party as its choice for the position of Chancellor.

The Embassy in Vienna transmitted numerous reports to the Department of State concerning the election campaign of February 1953, including the following: despatch 1159, January 8, "Status and Prospects of the Coalition Parties on the Eve of the 1953 Campaign" (763.00/1–853); despatch 1191, January 14, "The First Week of the 1953 Campaign" (763.00/1–1453); despatch 1245, January 20, "The Second Week (January 14–20) of the 1953 Campaign" (763.00/1–2053); despatch 1295, January 28, "The Third Week (January 21–27) of the 1953 Campaign" (763.00/1–2853); despatch 1345, February 4, "The Fourth Week (January 28–February 3) of the 1953 Campaign" (763.00/2–453); despatch 1425, February 18, "The Campaign from February 4 through February 13" (763.00/2–1853); and despatch 1468, February 26, "Returns in the Austrian Parliamentary Elections of February 22, 1953" (763.00/2–2653).

No. 854

763.00/3–253: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

SECRET VIENNA, March 2, 1953—6 p.m.

2565. Gruber informed me yesterday of intention People's Party to attempt bring VDU into coalition. He said right-wing of People's Party outraged at Socialists' alleged use of President in calling for early resignation of government which despite President's denial most People's Party believe to be true, and they are alarmed at

extent of Socialists' bid for power as revealed by their asking for separate Ministry of Housing which would give them control of all housing activities in Austria. He advanced many arguments for proposed coalition including statement that this would make it easier for Socialists to agree to sensible economic program and to control their extremists. People's Party also fear that two-party coalition more apt to break down and result in early further elections with results disruptive to maintenance political stability.

I stated formation of government was purely Austrian affair but I felt obliged to point out what I considered would be unfortunate international effects. Results Austrian election generally interpreted abroad as rejection extremists of both right and left and People's Party action to bring VDU into government at this stage would weaken Austria's prestige abroad. Moreover, it would provide Russians with pretext to oppose and perhaps even refuse recognition of new government. Emphasizing that I was speaking purely personally I also expressed surprise that People's Party would take this action which by giving patronage to VDU might have effect of strengthening that party at next election. I wondered why they did not reform two-party coalition now, keeping in reserve possibility later inclusion of VDU after bad elements in that group had been split off as he indicated was likely.

Gruber replied that these factors have all been taken into account and admitted that People's Party action partly maneuver to strengthen their hand in negotiations with Soviets. If latter were reasonable, present coalition would be maintained. He thought likely that VDU would split over question of coming into government and some would support Socialists. Of the 14 VDU elected to Parliament, he considered 10 to be more or less reasonable men and only 4 were definitely bad. Gruber indicated he and Figl did not personally fully believe in wisdom of People's Party action and implied they were mildly opposing it.

He thought that his and Figl's days were numbered and that this is probably last coalition in which they will be included since their advocacy of cooperation with Socialists had weakened them with right-wing of their own party. He has promised to keep me informed of further developments.

While I do not believe we should attempt to intervene officially, I consider policy of People's Party unwise from point of view our interests and overall welfare Austria. I believe they are motivated by overriding fear that breakdown of two-party coalition and new elections might result in Socialist Government. Gruber thought there would be less difficulty in agreeing on economic program than upon composition of government. He said many of his party leaders believed that we were being too strict in counterpart allocations

and that agreement upon economic program would be facilitated if they could be in position to do more to resolve unemployment problem. Helmer sent me word today that Socialists are fully informed of People's Party negotiations with VDU and indicated that Socialists would not agree to three-party coalition. [1]

THOMPSON

[1] According to telegram 2577 to Vienna, Mar. 3, the Department of State approved the position taken by Thompson as explained in telegram 2565. It also noted that the U.S. press had widely hailed the election as a triumph of Austrian political maturity under the most trying circumstances. (763.00/3–253)

No. 855

763.00/3–653: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

SECRET VIENNA, March 6, 1953—1 p.m.

2605. From conversations with Gruber, Vice Chancellor Schaerf and others, it appears clear that Austrian officials consider Stalin's death [1] will on short range basis at least increase danger for Austria. They believe that in addition to disappearance of a leader noted for his caution and patience, there is danger of internal developments from which regime may be impelled to distract attention by attempting to achieve a success outside the Soviet Union and they may therefore be inclined to take greater risks than formerly in Austria.

I hope that these views will facilitate early formation of Austrian Government, prospects for which have not been bright as the leaders of both principal parties appear to be taking extreme positions. Info I consider reliable indicates that Socialists have their eye on Foreign Ministry and that Schaerf himself is hopeful of assuming this function. Socialist ambitions and Peoples Party fears constitute a poor climate for statesmanship to flourish. French, British and I are quietly urging both sides to be reasonable and to hasten reestablishment of the coalition.

THOMPSON

[1] Iosif V. Stalin died on Mar. 5, 1953.

No. 856

763.00/3–1753: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, March 17, 1953—7 p.m.

2716. British, French and US HICOMs have been in almost daily touch regarding Austrian Government negotiations. At meeting today, following receipt Deptel 2713 March 16, [2] there was agreement that our current informal efforts to hasten formation two-party government should be continued, but that no wider action, such as is apparently contemplated by French Embassy Washington, should be undertaken.

Talks between two parties are approaching critical stage, and it seems likely that Figl will give up attempt to form government unless he succeeds this week. Federal President would then have to decide whether to call upon another PP representative (Raab and Gruber have been mentioned) or Socialist representative (presumably Schaerf) to attempt form government. PP leaders are now saying that if effort to form two-party government fails, PP will probably propose minority government of PP only with expectation it could survive until autumn, when new elections would be held.

Although situation is unclear, owing to reluctance of either PP or Socialists to put all their cards on table, only issue on Cabinet now seems to be whether PP will agree to another Socialist State Secretary post, perhaps in Foreign Office, in addition to appointment of Socialist as President of General Accounting Office (Oberrechnungshof), which PP is apparently prepared to concede. Raab seems adamant on maintenance of *status quo* in actual Cabinet posts; Socialists have asked for Minister of Education, but have implied they would settle for State Secretary as set forth above. There is some suspicion that Raab wishes to eliminate Figl, and that his strategy is to allow latter to fail in his attempt to form government as best means of accomplishing this.

THOMPSON

---

[1] Repeated to Paris.

[2] Telegram 2713 instructed Thompson to continue his informal efforts, in coordination with the British and French, to hasten the early establishment of a coalition government in Austria. It also noted that a French Embassy official visited the Department of State and expressed the desire of the French Government to exert tripartite pressure in Vienna on both parties to reach a prompt agreement. (763.00/3–1353)

No. 857

763.00/3-2053: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, March 20, 1953—5 p.m.

2747. Gruber informs me People's Party has decided to replace Figl by Raab. He said decision based on Party feeling that in view of strong Socialist attitude shown in negotiations for formation government PP needed stronger leadership. Gruber said he had done his best to support Figl but that Kraus and other Farm Group leaders had turned against him whereupon Figl himself had stated he could not continue. Negotiations with Socialists will be continued on Monday and if they do not increase their demands because of Raab's designation agreement can probably be reached on basis already indicated.

I said I thought that Figl had served Austria well and that the spirit of cooperation which he symbolized had been a great contribution to Austrian stability. There is no doubt that Raab will give stronger leadership and his designation will satisfy the strong PP feeling of need for a change. He has good personal relationships with Socialists although he represents the wing of the Party most opposed to them. While I am hopeful solution will now be reached quickly a most dangerous situation would result should either side now increase their demands.

THOMPSON

[1] Repeated to London and Paris.

No. 858

663.001/12-1552

The Acting Secretary of State to the Secretary of Defense (Wilson) [1]

TOP SECRET [WASHINGTON,] March 27, 1953.

DEAR MR. SECRETARY: Reference is made to Mr. Foster's letter of December 15, 1952 [2] outlining, in response to this Department's earlier request, the views of Defense and the Joint Chiefs of Staff with respect to the security factors involved in the conclusion of an

[1] Drafted by E. P. Allen and Nes and cleared by Collins, Byington, and Bonbright.
[2] Document 837.

Austrian Treaty and the withdrawal of occupation forces from Austria.

Immediately upon the receipt of the letter under reference, the views of the Department of Defense were communicated to the United States Delegation at the United Nations General Assembly. As recommended the United States representative was instructed that any resolution calling for the unconditional withdrawal of occupation forces should receive United States support "only if amended to make withdrawal simultaneous and conditional upon Four Power agreement as well as upon relinquishment by the Soviet Union of control over so-called German external assets in Austria". Fortunately no resolution of this type was introduced and the issue did not, therefore, arise in the United Nations General Assembly discussions.

The Brazilian resolution, supported by this Government, was adopted by the United Nations General Assembly on December 20, 1952. [3] This resolution addressed an earnest appeal to the Governments of the four Powers which occupy Austria to make a renewed and urgent effort to reach agreement on the terms of an Austrian Treaty with a view to an early termination of the occupation. In an effort to implement the United Nations General Assembly Resolution, two meetings of the Austrian Treaty Deputies were held in London, on February 6 and February 9, on the initiative of the United States Government. [4] No progress was made at either meeting because of the insistence of the Soviet Deputy that the abbreviated treaty be withdrawn before any other matter could be considered. The Soviet attitude at these meetings confirmed the impression that the Soviet Government has no present intention of concluding an Austrian settlement on any basis whatever. Future Western treaty tactics are now being discussed with the British and French and will be coordinated with the new Austrian Government.

In view of our unsuccessful efforts to conclude an Austrian settlement, it is considered desirable that a review be made of this Government's policy in Austria. Such a review should, I believe, include the matters referred to in the letter under acknowledgment and in the enclosures thereto. I concur in the suggestion that these matters should form the basis of mutual consultation between our respective Departments and representatives of the Department of State will be pleased to meet with representatives of your Department at any time you may consider appropriate. This Department

---

[3] Regarding the U.N. resolution, see Document 840.

[4] For reports on these meetings, see telegrams 4371 and 4399 from London, Documents 846 and 847.

now has in the course of preparation a draft NSC paper on Austria [5] which it is believed may serve as a basis for these interdepartmental discussions.

Sincerely yours,

WALTER B. SMITH

[5] Reference to NSC 164, approved by the National Security Council on Oct. 13, and by the President the following day. The amended revision as approved by the President was circulated as NSC 164/1. For text, see Document 895.

No. 859

763.00/4-1153: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

SECRET VIENNA, April 11, 1953—1 p.m.

2926. In discussions with Chancellor Raab [1] on April 9 and 10 following questions were discussed in general terms:

(1) State treaty. Raab indicated Cabinet decision on withdrawal of abbreviated draft was less firm than Gruber had led us to believe. I explained to him yesterday (prior receipt Deptel 2978 [2]) reasons why we were reluctant withdraw abbreviated draft, emphasizing that our objective was an Austria independent both politically and economically.

(2) Restitution. I said I gathered from press that his government wished to take some steps for further rehabilitation of former Nazis. I explained our position that victims should come first and urged that they quickly institute negotiations with representatives Jewish organizations and pass further legislation to assist victims. Raab said Cabinet on Thursday had set up committee of three to be headed by Kamitz to negotiation with Jewish representatives.

(3) Economic situation. I expressed concern at Austria's weak competitive position and urged that prompt steps be taken to balance budget, remove restrictions on competition and overcome obstacles to productivity drive. Raab said Cabinet would next week firm up budget which would be virtual prolongation of 1952 budget but with clear understanding that Finance Minister had power to

[1] Following weeks of negotiations between the People's Party and the Socialist Party, agreement was reached on Apr. 1 concerning the formation of a coalition government under Julius Raab, who replaced Leopold Figl as Austrian Chancellor. The new government was sworn in on Apr. 2.

[2] Telegram 2978 recommended an early move on the Austrian Treaty and the convening of a new meeting of the Austrian Treaty Deputies. (663.001/4-1053)

limit expenditures to receipts. He expressed sympathy with objectives of productivity drive and suggested we should all do more to convince labor of its necessity.

(4) Bank investigation. Raab said his party had become convinced that we were right in advocating termination control of nationalized banks over Austrian industry and while there were many difficulties they would endeavor to accomplish this. Indicated they were motivated by fear Socialists might come to power and spread nationalization of industry through control of banks.

(5) Revision Nazi laws. Raab promised action on this long-standing question which has embarrassed us in AC and could be used by Russians in treaty negotiations to demonstrate Austrian lack of interest in denazification.

Raab expressed gratitude for US assistance and said we could count upon Austria to continue fight against communism.

THOMPSON

No. 860

663.001/4-1753: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, April 17, 1953—7 p.m.

2975. At meeting with Western High Commissioners today Gruber outlined Austrian position regarding state treaty as follows: (1) Western powers should take initiative as soon as possible. (2) Objective should be to get Soviets to conference table to discuss substantive issues. (3) Austria position regarding long draft unchanged by views expressed Department telegram 2978, April 11. [2]

I forcefully urged Department's position regarding short treaty both on basis of principle involved and of tactics in dealing with Russians. While clear that Gruber, British and French convinced that it should if necessary to inaugurate negotiations be withdrawn they agreed might be best do so only under pressure at meeting and under formula that action taken "under expectation" that Soviets would not raise extraneous issues and would proceed promptly to conclusion of treaty.

---

[1] Repeated to London, Paris, and Moscow.

[2] Not printed, but see footnote 2, *supra*.

Consensus was that President's statement [3] had partially achieved objective note proposed in reference telegram and that better approach might be merely calling of Deputies meeting by Secretary General.

Gruber privately handed me copy of memorandum [4] regarding Austrian position which will be formally submitted Washington. Text by pouch. In brief it argues that Austria could maintain political and economic integrity even under draft if necessary. It has not yet been given to British or French.

Gruber expressed gratitude for President's speech and your earlier reference Austrian question. [5]

THOMPSON

[3] Reference to President Eisenhower's "Chance for Peace" speech which he delivered before the American Society of Newspaper Editors on Apr. 16. For text of this speech, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953*, pp. 179–188, or Department of State *Bulletin*, Apr. 27, 1953, pp. 599–603.

[4] This memorandum was transmitted to the Department of State in despatch 1773 from Vienna, Apr. 17. (663.001/4–1753) A similar memorandum was delivered to the Department of State by Austrian Ambassador Loewenthal on Apr. 22. A copy of this memorandum and the memorandum of conversation with Loewenthal attached to it is in Department of State file 663.001/4–2253.

[5] Presumably a reference to a press statement by Secretary Dulles on Apr. 3 in which he commented that the question of the Austrian Treaty should become a matter of accommodation with the Soviets if they were willing to negotiate.

No. 861

663.001/4–2053

The Deputy Director of the Office of European Regional Affairs (Knight) to the Assistant Secretary of State for European Affairs (Merchant), at Paris [1]

SECRET [WASHINGTON,] April 20, 1953.

DEAR LIVIE: Following up our brief conversation before you left Washington, I would like to expand a bit on the suggestion that you do what you can while in Europe in order to bridge the gap between our thinking and that of our Austrian-Franco-British

[1] Merchant was in Paris to serve as an Adviser with the U.S. Delegation to the Eleventh Session of the North Atlantic Council, Apr. 23–25, 1953.

Attached to the source text is a memorandum to MacArthur, Apr. 20, in which Knight explained that he was sending MacArthur a copy of this letter to Merchant in response to MacArthur's inquiry about the Austrian situation. Knight concluded his memorandum with the following sentence: "I feel most strongly that we would be 'saps' to accept Article 35, which is and will remain indefinitely a Trojan Horse at the disposal of the Soviets."

friends, as it is clearly developing. I must say that this development had been expected by all of us as we have thought that as soon as the possibility of any Austrian Treaty appeared on the horizon they would be irresistably attracted thereby, regardless of terms. It would seem that our main job now should be to stand firm and point out the danger and shortsightedness of succumbing to temptation!

The key point of substance relates to Article 35 (German Assets). As you know, under the terms of this Article not only do the Austrians have to compensate the Soviets for the German assets which they will turn back to Austria ($150 million over 6 years), but in addition thereto the Soviets retain direct control of the Austrian oil industry for 30 years, and of the Danube Shipping Corporation for what would appear to be perpetuity. Thus, in effect, through their privileges in the oil and shipping fields, the Soviets would have the right in fact to maintain as many representatives in Austria as they wished, with all the related dangers and thus threaten permanently the security and perhaps continued existence of the Austrian State.

While all this should be obvious, it does not appear to have been thus accepted by our friends and it would be important to apply a brake to their wishful thinking and ponder the facts. The Department of Defense strongly supports us in our fundamental opposition to Article 35.

In order to achieve this major objective in our negotiations with the Soviets, it is obvious that we must start from a tactical position with plenty of margin from which we may recede. This leads to the second point which I made yesterday: the essential tactical importance of not withdrawing the Abbreviated Treaty before we sit down with the Russians.

Viewed from a different point it would seem that our acceptance of the long draft Treaty, including Article 35, would constitute a paradox in that the new Administration would be following a definitely weaker line re Austria and the Soviets than the old Administration. (True enough, in November 1949 we had expressed agreement to Article 35 in order to obtain a treaty, but we moved gradually away from this position to reach one of opposing Article 35 when we introduced the short treaty in March 1952.) As we told the French in connection with the Saar, and our January 1950 point of view thereon, "the compulsions of the present outweigh legalisms of the past."

Lastly, the Senate ratification of any treaty with Article 35 is open to serious doubt.

I realize that you no longer intend to go to Vienna. Nevertheless, if you could get acceptance for our views on Article 35 in Paris and

London, it would be a great step forward and one which probably could not be taken at the Austrian Treaty Deputies level. Also you may eventually decide to go to Vienna after all, or you may be seeing Tommy Thompson elsewhere.

As long as we do not have an agreed position with the British and the French on Article 35 (in the final analysis, we can give in on everything else even though neither happily or willingly, for there would be strong opposition from Defense and the interested US oil concerns), we are in a vulnerable position should the Soviets take the initiative and request a meeting of the Deputies.

I am transmitting herewith as background material the Austrian memorandum of July 1952 and our summary of the treaty negotiations, [2] as these documents are not readily available abroad and might conceivably come in handy if the Austrian Treaty goes into high gear while you are there.

With every good wish, I remain,

As ever,

RIDGWAY B. KNIGHT

P.S. The bald British position that the Austrians can compensate the Soviets for German assets under Article 35 out of future American aid is something quite unacceptable to the US, both politically and in substance. Obviously we will have to agree eventually to some compensation to the Soviets in exchange for the elimination or modification of Article 35, but it seems that at this stage the task is to obtain agreement on the principle that the article is unacceptable. The quid for the quo can be subsequently dealt with as a negotiation matter.

[2] Not attached to the source text.

No. 862

740.5 MSP/4-2653: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

SECRET VIENNA, April 26, 1953—11 a.m.

3038. Joint Embassy/MSA message. Cotel. Attention: Arth, IMS. Reference Vienna 3038. [1] Subject: Austrian contribution west defense.

[1] Telegram 3038 to Vienna, Apr. 16, requested information from the Embassy for the fiscal year 1954 Congressional presentation on U.S. objectives concerning European defense production. (740.5 MSP/4-1653)

Lettered paragraphs correspond reftel.

a. Austria physically capable making substantial contribution west defense program in materials, components, and end-items not having specific military character although supply strictly military items precluded by occupation control agreement. Such contribution would greatly facilitate Battle Act enforcement, as well as strengthen Austrian B/P. However, factors described paragraph h below and danger provoking adverse Soviet reactions possibly impeding resumption state treaty negotiations dictates development of special type of limited program minimizing these risks. Therefore mission believes such program should: (1) not attempt direct procurement from Soviet zone or Vienna, but limit program to west zones; (2) possibly establish new office under auspices business cooperative export agency to channel information, contacts, negotiation between Austrian businesses and NATO or US prime contractors or procurement centers, thus minimizing dangers Soviet retaliation.

b. Mission aware only one Austrian company (Boehler Brothers-Steel) which controls subsidiary in Germany. Controls do not affect subsidiary's eventual defense production program.

c. Austria has filled army procurement contracts for lumber, paper, prefabs, steel for railroad car repairs.

d. Attitude of Austrian Government towards acceleration participation Austrian firms in MDAP/OSP programs remains cautious. Various Austrian Government agencies concerned refuse open support program fearing possible Soviet reprisal against officials responsible policy. Interest Austrian business considerable and growing. Need find new export outlets major problem Austrian business now. Increasing number firms seeking establish contact with military procurement agencies with mission as intermediary.

e. Austrian experience supplying US Forces Austria limited to contracting jobs for construction military housing.

f. Uncertainties Austrian situations do not permit adequate predictions.

g. Austria can furnish the following items on sub-contracting basis to holders OSP-financed prime contracts: aluminum-pig and sheet, extruded shapes and wires; steel-sheet and plates, hot and cold rolled, hot coiled strips; forgings—large and small; castings—up to 70 tons; ball bearings—all types; magnesite—sinter bricks and caustic powdered metallurgy items; lumber and lumber products including prefabs; machine tools—nuts, screws, and bolts; electro power machinery and transformers; railroad cars and locomotives; diesel engines; trucks; pneumatic drills; textile materials or end items. Mission will forward despatch estimate available quantities. Quality items listed above recognized good by international

standards. Prices competitive, delivery terms reasonable and adjustable in accordance requirement.

h. Terms control agreement constitute most significant legal restriction imposed on full Austrian participation MDAP/OSP program. Allied mail censorship greatly hampers effective communications potential Austrian suppliers, military procurement agencies. Soviet-imposed travel restrictions (Enns, Semmering checkpoints) considered further serious deterrents. Opinion prevails among businessmen steady contact military procurement agencies abroad could lead to Soviet kidnapping at above indicated points.

i. Mission attaches greatest importance program as one of few concrete possibilities for badly needed outlets. Export situation numerous firms seriously deteriorating in view imposed Battle Act restrictions (Gebus, Steyr, Plansee; reference Embassy despatch 809, November 12, [2] Embassy despatch 1391, February 10 [3]). Situation considered particularly bad in view business pressure on Austrian Government to expand East European trade. In light Austrian potential contribution west defense program, on one hand, and probability, on other hand, serious consequences if US element unable to indicate alternate outlets in nearest future for blocked eastward exports, mission would highly appreciate MSA/W close consideration establishment procurement policy facilitating Austrian participation more extensive scale than heretofore.

THOMPSON

---

[2] Not printed. (764.00/10–3152)

[3] Despatch 1391 reported on the capacity and delivery possibilities of the Steyr-Daimler-Puch Ball Bearing Works, which was seeking new markets in the West and other non-Soviet bloc countries. (863.3313/2–1253)

No. 863

740.5/4–2953

Memorandum by the Counselor of the Department of State (MacArthur) to the Under Secretary of State (Smith) [1]

SECRET [WASHINGTON,] April 29, 1953.

When the Secretary appeared before the Foreign Relations Committee of the Senate this morning, primarily to report on the

---

[1] Copies of this memorandum were also sent to Matthews, Morton, Bonbright, and Byington.

In a brief memorandum to the President dated Apr. 29, Dulles noted the following: "I had a very satisfactory meeting with the Foreign Relations Committee this morning dealing primarily with NATO and also the Austrian Treaty. With respect

Continued

recent NATO meeting in Paris, he brought up with the Committee the subject of the Austrian Treaty. He gave an excellent historical resume of the negotiations beginning in 1946, during the course of which he explained the substance of the long and short draft treaties. In describing the long treaty he outlined the provisions of Article 35, including the rights which the Soviets would retain in connection with oil exploitation in Danube shipping as well as the Austrian time-phased payments to the Soviets of $150 million. The Secretary explained that serious consideration was being given to taking initiative with the Soviets with respect to the Austrian Treaty. Among other things, he explained that if initiative were taken promptly, it might forestall or at least occur prior to some Soviet initiative with respect to Germany. This would mean that if the Soviets subsequently put forth a proposition on Germany, we would be in a position to say that it must be considered after the Austrian question. The Secretary then said to the Committee that, despite the concessions which the long draft gave to the Soviets, we had the impression that the Austrians wished a treaty so badly that they would willingly buy it. The British and French seem to share this view. Therefore, if initiative were taken with respect to the Austrian Treaty and if we were not willing to buy the long draft, we would thence find ourselves isolated. Our position would be further complicated by the fact that we were apparently blocking a treaty which the Austrians themselves were willing and, indeed, anxious to accept, in other words, a treaty with which they thought they could live. The Secretary said that he was mentioning this matter to the Committee in line with the administration's policy of consultation with the Foreign Relations Committee in order to obtain their views prior to reaching a final decision. The Secretary also explained that from the purely military point of view, there was the question of whether or not an Austrian Treaty was at this time a desirable thing when it would mean the withdrawal of Western forces. The President will be examining all aspects of this matter in the very near future in order to make his decision.

Several of the Committee members raised questions. One inquired whether if, in the Secretary's opinion, the treaty were signed, the Soviets would withdraw not only from Austria but from Hungary and Rumania. The Secretary replied that he believed the Soviets could find the pretext to remain in Rumania and Hungary

---

to the latter, there was no formal decision taken or sought by me, but from the various expressions of views I believe that: 1—The Foreign Relations Committee appreciated being informed of the problem at this early stage, and 2—Will not seriously object if we go along with the long-form treaty."

either by request of the satellite governments concerned or by treaty but that they would no longer have the pretext of being there to insure their lines of communication to Austria and it would not make them any more popular with the Rumanian and Hungarian people. Another Committee member asked whether the Austrians had the capacity for paying off the $150 million to the Soviets. The Secretary replied that no categoric answer could be given to this. Much depended on the condition in which the Soviets left the Eastern zone of Austria. If extensive capital investment were required to rehabilitate Austrian industry which the Soviets had worn out or removed, the Austrians would not be able to make the necessary capital investment required by the over-all Austrian economy and at the same time pay the reparations. There were also other factors. However, if the industry in the Eastern zone were left in good shape and with the lift of the burden of occupation costs to the British, French and Soviets and in the absence of unknown developments, the Austrians would probably be in a position to meet a substantial part of the payments to the Soviets. This, however, was a question on which no accurate predictions could be made.

Senator Taft said that he had the impression from what the Secretary had said that the Secretary's mind was running along the lines that if the Austrians, French and British all strongly support the long draft of the treaty, we should not oppose it but should also agree to it. The Secretary responded affirmatively that, while no decision had been taken, tentatively, he was thinking along these lines. No member of the Committee challenged this possible course of action and discussion on the treaty terminated on this note.

DOUGLAS MACARTHUR II

No. 864

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 142d Meeting of the National Security Council, Thursday, April 30, 1953 [1]

TOP SECRET EYES ONLY

At the 141st [*142d*] meeting of the Council, held in the President's office, the following were present: The President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Acting Secretary of Defense; and the Di-

[1] Drafted by Gleason.

rector for Mutual Security. Also present were the Secretary of the Treasury; the Director of Defense Mobilization; General Vandenberg for the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; Mr. Robert Cutler, Special Assistant to the President; Mr. C.D. Jackson, Special Assistant to the President; Major General Wilton B. Persons, USA (Ret.), Special Assistant to the President; Colonel Paul T. Carroll, Military Liaison Officer; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a general account of the main positions taken and the chief points made at this meeting.

Austrian Treaty (NSC 38/6 [2])

In the absence of the Secretary of State, who had returned to his office pending the conclusion of the legislative briefing, the President called on General Vandenberg for an exposition of the views of the Joint Chiefs of Staff on the problem.

General Vandenberg stated that the Joint Chiefs have been consistently concerned in the past with the following main points in regard to an Austrian treaty: (1) Austrian armed forces adequate to maintain internal security upon the withdrawal of occupation forces; (2) Soviet control of German assets in Austria (Article 35, long draft treaty); (3) a Western guaranty of Austrian integrity.

In summary, said General Vandenberg, the Joint Chiefs of Staff have two great fears with regard to the negotiation of an Austrian treaty. First, that the oil facilities in Austria, an important part of the Austrian economy, would fall into Russian hands. Secondly, that if we pull out our occupation forces prior to the time when Austria has security forces ready to take over, the Soviets might succeed in gaining control of the country.

The President inquired as to the character and size of the Austrian security forces.

. . . . . .

At this point Secretary Dulles joined the meeting, and after the President had summarized General Vandenberg's statement to him, he asked Secretary Dulles for his views as to the desirability of renegotiating Article 35 which accorded the Soviets power over the Austrian economy, about which the Joint Chiefs were fearful.

Secretary Dulles replied that if you were to enter into this business with the notion of renegotiating Article 35 at this point, you might just as well quit. Neither our British and French allies, nor the Austrians, would go along with such a proposal.

---

[2] See the editorial note, *Foreign Relations*, 1950, vol. IV, p. 397.

The President interrupted to inquire whether Article 35 did not in its present form give the Russians a stranglehold on the Austrian economy.

Secretary Dulles replied that it certainly did give them control of the Austrian oil fields, but it seemed to him better that they should have such limited control than to allow them, as at present, to control the whole Soviet Zone. If we should insist on scrapping the long draft treaty because of Article 35 and a number of other undesirable features which derived from the fact that the treaty was drafted just after the end of the war, the United States would find itself in an isolated position. Such insistence would completely destroy the impression of American sincerity which the President's speech of April 16 [3] had so conspicuously emphasized. On the whole, the advantages of moving ahead with the long draft of the Austrian treaty outweighed the disadvantages. In general, the Defense position in the past had been that they would prefer to see an Austria divided and occupied by both Western and Soviet troops rather than a unified and unoccupied Austria. With this Defense position Secretary Dulles could not agree, and even if we were obliged to accept the long draft with the present Article 35, the Russians would have to give up a good deal in agreeing to it.

General Vandenberg stated the anxiety of the Joint Chiefs lest the Russians use the considerable number of armed guards now stationed at the oil facilities and elsewhere in the Soviet Zone, as the base for creating forces capable of subverting the Austrian Government when our own troops moved out.

The President inquired whether there was any guaranty in the treaty of Austrian neutrality or independence.

Secretary Dulles read the second Article of the treaty in order to reply to the President in the affirmative. Secretary Dulles then went on to say that he personally did not like the long draft treaty. It contained a great many loopholes, but in point of fact we were trapped, since the document had so long been agreed to by the British, French and Austrians. If we now went on to insist on a different treaty, Secretary Dulles repeated that we would find ourselves in isolation.[4]

---

[3] See footnote 3, Document 860.

[4] On Apr. 28 Bonbright sent a memorandum to Dulles concerning the Austrian Treaty in which he recommended that if the British, French, Austrians, and Soviets all agree to the long treaty draft and the Soviet version of the unagreed articles, the United States would have to go along but need not tell them so in advance. This memorandum bears the notation "Sec saw." (663.001/4-2853) A second memorandum concerning the treaty was sent to Dulles by Bonbright on Apr. 29 in which he enclosed a memorandum summarizing the outstanding provisions of the draft treaty which were unfavorable to U.S. interests and a résumé of the Defense Department's position on the Austrian Treaty. (S/S–NSC files, lot 63 D 351, NSC 38 Series)

The President asked whether Secretary Dulles had discussed this treaty with the Foreign Relations Committee.

Secretary Dulles replied that he had done so at some length, and felt that its members understood the difficulties. [5]

Mr. Cutler explained that in the discussion of this problem at yesterday's meeting of the Planning Board, it had been pointed out that the "appeasement" features of the treaty were likely to make it very difficult to sell to the Senate and might occasion serious domestic political problems. He then inquired whether the issue before the Council at the moment was whether or not to call for negotiations on an Austrian treaty, or whether it was to agree to accept the longer treaty as the basis for negotiations. Would it not be possible, inquired Mr. Cutler, to start out with the short treaty?

Secretary Dulles replied that we might very well start with the short treaty, but in very short order we would be confronted with demands that it be dropped and that negotiations be based on the longer draft.

The President observed that once again we find ourselves in one of the straitjackets which we have inherited from the past Administration.

Mr. Stassen then inquired as to the prospects for an adequate defense of Austrian independence after the treaty was signed.

Secretary Dulles replied that what with the provision that the treaty would go into effect ninety days after its signature and that further delays in securing congressional ratification, and so forth, would lengthen the interval to practically nine months, he believed that we would have a considerable time in which to build up the Austrian army. This seemed to him far more important and desirable than that we should stand alone in world opinion against the long treaty and Article 35.

The President expressed agreement with the views of Secretary Dulles, and then inquired as to the possibility of preparing an economic and trade treaty with Austria which would go into effect the moment that the Austrian peace treaty was signed. He believed that this would be very helpful in supporting the Austrian economy and aligning that country with the West.

Secretary Dulles seemed hospitable to this suggestion, and pointed out recent instances, in Hungary in particular, of anxiety among the satellites for stepping up trade with the West. He felt that the pressures we were applying were having a strong effect, and that these pressures might very well snowball with very considerable advantages to ourselves.

---

[5] For a record of Dulles' meeting with the Foreign Relations Committee on Apr. 29, see the memorandum by MacArthur, *supra*.

The President replied that this was very good news, but that we had better be sure that we were educating Congress on these matters.

Secretary Dulles then suggested a possible action by the Council which was discussed and amended by the President.

The National Security Council:

a. Noted an oral report by General Vandenberg for the Chairman, JCS, of the following points which the Joint Chiefs of Staff recommend be included in the U.S. position on an Austrian treaty:

(1) The commitment of the Austrian Government to immediate post-ratification creation of armed forces numbering 28,000 and acceptance of Western assistance in the formation of these forces.

(2) A concurrent Western guaranty of Austrian integrity.

(3) Renegotiation of Article 35 of the long draft treaty so as to preclude acceptance of any occupation termination arrangement permitting agencies of the USSR to remain in Austria in control of a large segment of Austrian industry.

b. Noted the following views of the Secretary of State with regard to an Austrian treaty:

(1) While he did not like the terms of the long draft treaty, he thought that the United States would be isolated if we should insist on renegotiating this draft because it was desired by the Austrians, the British, and the French. Such an isolated U.S. position would cast serious doubt upon the sincerity of the proposals made by the President in his April 16 address.

(2) On balance, the advantage of ending Soviet occupation of its zone in Austria and the withdrawal of Soviet forces from Austria, outweighed the disadvantages of continued Soviet control of certain segments of Austrian industry as provided in Article 35 of the long draft treaty.

c. Agreed that the Department of State should be authorized to enter into negotiations for an Austrian treaty, if necessary on the basis of the long draft treaty.

d. Noted that the time required to put any treaty which might be negotiated into effect will provide ample opportunity to establish Austrian armed forces reasonably adequate to maintain internal security.

Note: The action in c above subsequently transmitted to the Secretary of State for implementation.

No. 865

663.001/5–453: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET PRIORITY WASHINGTON, May 4, 1953—6:42 p.m.

7185. After full consideration following President's speech April 16 U.S. Government wishes proceed urgently with Austrian treaty question as primary test Soviet peace overtures in Europe. US position is:

1. Invitation for meeting Treaty Deputies should be issued soon as agreement on substance and tactics outlined herein is reached. No conditions should be attached to invitation.

2. If Soviets refuse attend Deputies' meeting prior withdrawal short draft, West will withdraw it. Similarly if Soviets attend meeting but refuse to negotiate until short draft withdrawn, West will at that point withdraw it. In either case we should make it clear that while we considered short draft a reasonable and fair solution we were withdrawing it in hope furthering sincere negotiations which would end in conclusion of treaty. [2]

3. Determined effort should be made eliminate undesirable features long draft treaty with particular reference Article 35. It remains U.S. desire obtain settlement German assets question more favorable Austria than Article 35 long draft both because of subversive possibility Article 35 and economic burdens it places on Austria. Copies memo setting forth provisions long draft unfavorable US interests being airpouched interested offices. [3]

4. If all efforts reach settlement along lines para 3 fail and negotiations reach stalemate, Deputies should report back to their Governments and, in light of world situation obtaining at that time and of negotiation developments, new tripartite position would be determined.

5. London, Paris, Vienna requested seek concurrence Foreign Offices foregoing program and repeat answers London for coordination there.

---

[1] Drafted by Collins, E.P. Allen, and Rutter, and cleared with Bonbright, Knight, Barbour, Henry Allen, Merchant, Matthews, and Smith. Repeated for action to Paris and Vienna and for information to Moscow.

[2] In a memorandum from Bonbright to Knight and Collins, dated May 4, it was noted that in a meeting with Dulles that afternoon the Secretary of State had expressed concern over paragraph 3 of the draft of this telegram which reads as follows: "If Soviets attend meeting without demanding withdrawal short draft we should start negotiations on long draft." Bonbright stated that Dulles recognized that this was a remote possibility but he did not want the United States to be in a position of withdrawing the short draft unless forced to do so. Bonbright and General Smith agreed after the meeting to drop this paragraph from the telegram while at the same time informing the U.S. negotiators that the above point should be borne in mind. (Secretary's Letters, lot 56 D 459, "A") Paragraph 3 was subsequently deleted as agreed and the following paragraphs renumbered.

[3] Regarding this memorandum, see footnote 1, *supra*.

6. If agreement reached above points it suggested West Deputies meet London following announcement meeting with view reaching tripartite agreement on details tactics to be followed at meeting. Since we would wish make statement here re meeting suggest announcement be made simultaneously interested capitals and timing be determined tripartitely London. Department hopes agreement can be reached on paras 1 through 4 above to permit issuance invitations by May 7 and meeting approximately two weeks later.

We appreciate that difference of opinion exists on some of these points but we hope that need for early action will induce our allies to accept. Probably greatest difficulty will be in connection with considerations set forth in para 3 above and you should make it clear that we will insist on real effort improve long draft. We consider that in agreeing to withdrawal short draft we are making real sacrifice which warrants our expecting others particularly Austrians to go along with our other proposals. [4]

DULLES

[4] In a Department of State press release of May 11, it was announced that the Secretary General of the Austrian Treaty Deputies had called for a meeting to be held in London on May 27. It was also noted that Walter C. Dowling was designated as the U.S. Deputy for Austria. For text of this press release, see Department of State *Bulletin*, May 25, 1953, p. 751.

No. 866

663.001/5–1653: Telegram

The Acting Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, May 16, 1953—2:56 p.m.

7438. London for Dowling. Following for your guidance in seeking tripartite agreement on tactics to be followed meeting Austrian Treaty Deputies, assuming Soviets attend:

1. Primary objective is test sincerity Soviet peaceful intentions in Europe by ascertaining whether or not they are willing conclude Austrian settlement on any basis. Accordingly effort should be made prevent breakdown meeting until Soviet obstructionism revealed even more clearly than in past. If breakdown negotiations unavoidable goal should be place onus on Soviets. Important avoid giving any indication that US or West stalling on Treaty or that Western Powers not in complete agreement.

[1] Drafted by E. P. Allen, Collins, and Knight, and cleared by Bonbright. Repeated to Paris, Vienna, and Moscow.

2. Abbreviated text should not be withdrawn unless West forced to do so. If circumstances force withdrawal abbreviated text we should emphasize its virtues and concession involved to West and stress Western expectations that Soviets will respond by serious negotiation and conclusion equitable treaty.

3. There should be general discussion obstacles to settlement. Aim would be to make Soviets show hand on extraneous issues without appearing to provoke them. If they condition treaty on issues deputies not competent to handle, West should take note of Soviet position and proceed to treaty issues. Care should be exercised not admit principle extraneous issues pertinent to treaty. If demilitarization or denazification raised on grounds Soviets dissatisfied with Allied Council action it may be advisable ask how they would propose amending pertinent treaty clauses. Similarly if they raise neutralization, ask how issue would be expressed in treaty. Such action would provide justification for reopening other articles, notably 35.

4. Through passage time some agreed articles obviously require changes (e.g., reference to Allied Control Council in Article 16 bis). As further means probing Soviet position and of possibly establishing precedent for reopening agreed articles, West should inquire how Soviets propose deal with these necessary changes.

5. Immediately thereafter, West should develop its case for modification of Article 35. Form of introducing case will of course depend on Soviet answer to point raised in Paragraph 4 and on their general attitude at meeting. West should point out:

1) Fact that basic agreement CFM, June 1949, was made in stated anticipation that Deputies would reach agreement entire Treaty not later than September 1, 1949.

2) Importance of Soviet takings from Austria since 1945, and in particular since Article 35 agreed (see summaries prepared American Embassy, Vienna, as basis *Arbeiter Zeitung* articles and Austrian Government memorandum July 1952 [2]).

3) That according our calculations Soviets would actually receive from oil exploration and production areas allotted to them under Article 35 at least 90% of Austrian total current oil production and not 60% of 1947 production which implied 60–40 continuing ratio.

Western Deputies should agree that at this point specific proposal should be made to return all "German assets" to Austria against appropriate payment. With regard this payment definitely preferable form would be by delivery of oil and possibly other Austrian goods in view acute Austrian dollar shortage. Total value these

[2] Reference to the Austrian memorandum circulated to U.N. members on July 31, 1952. For text of this memorandum, see Department of State *Bulletin*, Aug. 11, 1952, pp. 221–223.

payments in kind should only be decided after we have received views of Austrian Government and Western High Commissioners, Vienna. An alternative would be fixed percentage of Austrian oil output. Finally, another formula would be lump-sum payment, preferably payable over course of several years. Amount will have to be carefully studied on basis views of interested parties, but should be definitely less than in case of goods payment because Austrian foreign exchange shortage. Some combination of both formulae could also be considered. As Secretary informed Ambassador Loewenthal, Austrians cannot count on US aid to compensate for any payments called for under Austrian Treaty and therefore Austria's capacity to pay should be most carefully considered.

6. If unagreed articles reached we wish maximum effort to be placed on obtaining Western version of all unagreed articles with major emphasis on Article 37. This does not mean West cannot take firm attitude on its versions Articles 16 and 42 in return for compromises on 48 and 48 bis. Western Deputies should at this point refer back to their Governments for further instructions.

7. Western Deputies should submit to their Governments for consideration their agreed recommendations on tactics to be followed at meeting in sufficient time permit Governments to act thereon and resolve any differences prior meeting. Addressees requested comment to Dowling London.

SMITH

No. 867

663.001/5–1653: Telegram

The Acting Secretary of State to the Embassy in the United Kingdom [1]

TOP SECRET WASHINGTON, May 16, 1953—2:56 p.m.

7439. For Dowling only. Deptel 7438 [2] drafted in terms to permit your showing to your French and UK colleagues. For this reason we did not mention authority which we have to sign long treaty as is if changes impossible and in order prevent break-up of meeting with onus on West. Therefore should Soviets at any time make it unmistakably clear that they will break up meeting unless we agree to discuss long treaty without reopening agreed articles you

[1] Drafted by Knight and cleared with Bonbright. According to notations on a memorandum by Bonbright to Smith, May 18, the Acting Secretary did not approve the text of this telegram until 2 days after it was transmitted. (663.001/5–1653)

[2] *Supra.*

are authorized to negotiate with view obtaining what you can on unagreed articles.

You are authorized to act likewise in unlikely case Soviets at any time should move immediate conclusion of long draft treaty.

In both cases preferable, if you think time available, to consult Department but this should not be done at serious risk of Soviet walk-out.

While it is obvious that our negotiating latitude may be largely conditioned by Soviet tactics and while this telegram is intended give you that latitude which may be necessary to prevent break-up of meeting with West bearing onus, bear in mind Secretary's instruction that we make wholehearted effort in support of short draft and should these efforts be unsuccessful that we make determined effort to amend Article 35.

SMITH

No. 868

Editorial Note

Beginning on May 18 the Austrian Treaty Deputies from the United States, the United Kingdom, and France began a series of tripartite meetings in London in order to reach agreement on negotiating tactics for the meetings with the Soviets scheduled for May 27. Telegraphic summaries of these preliminary meetings, as well as a series of letters from Dowling to Merchant providing more detail, are in Department of State file 663.001.

On May 25, Jacob Malik, the Soviet Ambassador in London, sent a letter to the Secretary General of the Austrian Treaty Deputies declining the invitation to participate in the meeting scheduled for May 27. The reasons the Soviet Government refused to participate were, according to the letter, that a meeting of the Deputies could be called only at the request of the Council of Foreign Ministers, that there were no grounds to suppose that the proposed meeting would be any more successful than preceding meetings, and that "it would be more expedient to consider this question through diplomatic channels by means of an appropriate exchange of opinions." The following day a joint note by the Deputies from the United States, the United Kingdom, and France was sent to Malik criticizing the Soviet refusal to participate in the May 27 meeting. For the Soviet letter and the joint reply, see Department of State *Bulletin*, June 8, 1953, pages 814–815.

No. 869

763.0221/6–1053: Telegram

The Acting United States High Commissioner for Austria (Dowling) to the Department of State [1]

SECRET VIENNA, June 10, 1953—midnight.

3380. In conversation today re Soviet moves here, Raab and Gruber admitted they could only speculate re motivation. Their best guess is that Soviets felt impelled to take these local steps to counter their refusal resume work on treaty. Additionally, Gruber argued that they desire improve their standing with Austrian populace prior to withdrawal, which they now see approaching within year or two.

They agree Soviet relaxation of occupational controls is more apparent than real, with two exceptions set forth below, and they are aware Soviets retain their potential for action. For this reason, among others, they are deliberately over-emphasizing Austrian Government's satisfaction in belief it will thereby be more difficult for Soviets to reimpose relaxed controls, and at same time place Austrian Government in favorable position to press for further relations.

Two moves which Raab and Gruber consider of significance are

(1) Abolition of required transit permit for all goods moving across demarcation line except explosives, weapons and certain machinery; and
(2) Resumption full diplomatic relations.

Re (1), Raab admitted he was not absolutely certain as to scope, and that Soviet statement needed clarification. Re (2), which was announced by Foreign Office today, Gruber recalled Soviets had heretofore been careful not to take any step which implied recognition Austria's full sovereignty, and he therefore, considers this major move. In this connection, Gruber stated flatly Austria had taken no initiatives since 1951, and he was unaware Soviet intentions until receipt telegram from Austrian Charge Moscow (Moscow's 1708 to Department [2]).

In light Austrian Government reaction, Embassy PAD intends follow line that Soviet moves are welcome although tardy, since Western Powers took similar measures 1947; that it is hoped Soviets will proceed implement other commitments undertaken in Con-

---

[1] Repeated to Moscow.

[2] Telegram 1708 reported that the Soviets and the Austrians were raising their missions to embassy status on June 9. (601.6361/6–953)

trol Agreement 1946; and finally, that relaxation occupation controls, no matter how great, no substitute for state treaty. [3]

Embassy's analysis Soviet moves in preparation and will be forwarded soonest. [4]

DOWLING

[3] In telegram 3405 from Vienna, June 12, the Embassy reported that a Soviet propaganda broadcast in Vienna on June 11 gave a possible indication of the motivation behind recent Soviet policy toward Austria. The broadcast stated: "It is now time for Austrian contribution to lessening of tensions—adoption of strictly neutral course for Austrian foreign policy." (763.0221/6-1253)

[4] Reference to despatch 2068 from Vienna, June 12, entitled "Recent Soviet Actions in Austria." (763.0221/6-1253)

No. 870

Editorial Note

On June 11 Ambassador Charles E. Bohlen delivered a note to the Soviet Government expressing concern with the failure of the Soviet Treaty Deputy for Austria to attend the meeting scheduled for May 27 in London. Similar notes were delivered by representatives of the British and French Governments. The Soviet Government replied in a note delivered on July 30 by reiterating its insistence that the abbreviated treaty be withdrawn before the negotiations could be resumed. For the United States note of June 11, see Department of State *Bulletin*, June 22, 1953, pages 873-874; for the Soviet reply of July 30, see *ibid.*, August 31, 1953, pages 282-283.

No. 871

663.001/6-2553: Telegram

The Acting United States High Commissioner for Austria (Dowling) to the Department of State [1]

SECRET VIENNA, June 25, 1953—7 p.m.

3497. Gruber gave me account June 23 of his visit to Nehru, about which he had informed me in London (London's 6366 June 3 to Department [2]).

[1] Repeated to London, Paris, and Moscow.

[2] Telegram 6366 reported that Indian Prime Minister Nehru had asked Gruber to visit him in Switzerland where he was meeting Indian diplomatic representatives in Europe. (663.001/ 6-353) For Gruber's account of his meeting with Nehru at Bürgenstock, see *Between Liberation and Liberty*, pp. 221-223.

Purpose of visit, Gruber said, was to explain Austrian position once again to Nehru, with hope Indians might be willing sound out Soviets re true intentions on state treaty. Conversation, in which Indian Ambassador Moscow and Minister to Austria participated, dwelt at length on Austrian-Federal Republic relations, with Gruber surmising from questions that Soviets had already voiced their suspicions this subject to Indians. He replied accordingly, acknowledging close trade and cultural relations but stressing Austrian determination to maintain independence.

In response query re his statement at Bonn on "no military alliance," Gruber explained neutrality issue, and in ensuing discussion recalled that Soviets had thus far relied on Austrian Communists to hawk East views; argued inability Austria to accept any treaty provision this subject likely to be satisfactory to Soviets; and pointed out some carefully-worded declaration against military alliances by Parliament would be most Austrians could accept, and this only if essential for Soviet consent to treaty.

Gruber quoted Nehru as agreeing entirely with Austrian views re neutrality. He gained impression, however, that Indians while seeking opportunity to raise treaty question with Soviets, would press discussion only if latter showed inclination therefor.

British, who with French were informed of conversation by Gruber June 24, professed concern that he may have gone too far re neutrality. At Caccia's suggestion, therefore, three High Commissioners met with Gruber today for further discussion, which appears to have allayed British fears, especially as Gruber assured us that any approach by Soviets or others re neutrality would be brought immediately to attention of Western powers.

We admit there is some justification for British Embassy's concern re Austrian attitude on neutrality, as majority of Austrian opinion would probably accept some formula on subject if they were assured this was final block to treaty conclusion. In present instance, however, it is believed their suspicions were aroused primarily by Gruber's failure to inform them in advance of his visit to Nehru.

DOWLING

No. 872

Editorial Note

On June 30 Norbert Bischoff presented a memorandum to the Soviet Government expressing the gratification of the Austrian Government for recent Soviet policies in Austria which had allevi-

ated to a certain extent the occupation burden. Bischoff, the former Austrian Political Representative to the Soviet Union, had returned to Moscow following the elevation of the Austrian mission to embassy status and his appointment as the new Austrian Ambassador. The text of this memorandum, subsequently referred to as the "Bischoff memorandum," was transmitted to the Department of State in despatch 2162 from Vienna, June 29. (661.63/6-2953)

In a note to the Austrian Government of July 29, the Soviet Government stated its argument opposing the abbreviated treaty and urged the Austrian Government to withdraw its support of the short treaty draft. The Austrian Government replied in a note delivered in Moscow on August 19 that it no longer supported the abbreviated treaty, to which the Soviet Government responded on August 28 that it desired a clearer statement of the Austrian Government's views concerning the abbreviated treaty. Extracts of the Soviet note of July 29 are printed in *Documents* (R.I.I.A.) for 1953, pages 149-150; for the Soviet note of August 29, see *ibid.*, pages 151-152.

No. 873

663.001/7-753: Telegram

The Secretary of State to the Embassy in Austria [1]

SECRET WASHINGTON, July 7, 1953—5:46 p.m.

78. Department concerned Austrians may have been conducting negotiations with Soviets without prior consultation Western Powers and in manner likely jeopardize Western efforts on behalf Austria especially as regards Article 35 and neutrality. Reference Vienna 3489, [2] 3497, [3] 22, [4] and 42, [5] London 6695 [6] and 54, [7] Paris

---

[1] Drafted by Collins, Rutter, and E. P. Allen, and cleared with Byington and Bonbright. Repeated to Paris, London, and Moscow.

[2] Telegram 3489 reported that there were various rumors circulating in Vienna regarding secret deals between Austria and the Soviet Union, but the Embassy was unable to substantiate any of them. (661.63/6-2453)

[3] Document 871.

[4] Telegram 22 summarized reports concerning Austro-Soviet discussions relating to the treaty. (663.001/7-253)

[5] Telegram 42 reported that Raab visited Thompson on July 4 and in the course of the discussion assured Thompson that the Austrians had conducted no negotiations with the Russians. When Thompson referred to reports of Gruber's talk with Nehru, Raab remarked, "Foreign Ministers are dangerous people." (763.00/7-453)

[6] Telegram 6695 quoted newspaper reports of secret negotiations between the Austrians and the Soviet Government. (661.63/6-2253)

Continued

6623 [8] and Moscow 16. [9] Recent Austro-Soviet contacts, direct and through Indians, may have confirmed Soviet analysis of Western position and possibly indicated to Soviets that Austrians not completely in accord therewith.

Department therefore concurs with British proposal, London 54 and Moscow 16, and suggests in your discretion you speak directly to coalition leaders or recommend meeting between West HICOMs and them in which British could indicate their concern with which feeling you and French could associate yourselves. Department inclined believe Austrians have kept us better informed than British but following points could be brought up. West has always cleared all questions re Austria with Austrians before approaching Soviets but Austrians do not seem to be following same plan. If Western Powers are to push Austrian interests in any future multilateral meetings our position cannot be undercut in above fashion. Invitation to Soviets through Indians to make Austrians neutrality proposal is especially damaging. If as seems probable Soviets have now made it clear they will not settle Austria ahead of Germany, any concessions to Soviets now gain nothing in final settlement but merely weaken final bargaining position. While Department welcomes of course anything Austrians can accomplish locally to alleviate Soviet occupation policies Department thinks this must not be done through concessions by Austrians affecting final settlement.

Department assumes above meeting will develop precise nature Austro-Soviet and Austro-Indian discussions.

DULLES

---

[7] Telegram 54 informed the Department of State that the British were concerned with Gruber's failure to reveal frankly his effort to get Nehru to intercede with the Soviets concerning the treaty negotiations. (663.001/7–353)

[8] Telegram 6623 reported French concern with the alleged Austro-Soviet negotiations. (663.001/6–2553)

[9] Telegram 16 reported that Bischoff had shown little disposition to keep either the British, French, or U.S. representatives in Moscow informed of developments concerning the Austrian Treaty and noted that rumors were spreading in Moscow concerning the opening of a confidential bilateral channel with the Soviet Government for the purpose of settling the Austrian Treaty question without consultation with the West. (661.6324/7–453)

No. 874

663.001/7-953: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, July 9, 1953—7 p.m.

92. I forcefully presented to Raab in presence of Gruber points contained in Deptel 78. [2] Raab assured me not one word had been or would be exchanged with Soviets concerning state treaty without prior consultation with US. Said PP and Socialists differ openly as to tactics in dealing with Soviets, PP saying thank you for concessions, Socialists immediately demanding more. Stressed he and his party aware concessions cost Soviets nothing and would not be deluded into belief in Soviet change of heart.

I pointed out that whatever intention Gruber approach to Nehru, effect and fact it was made without informing US very disturbing, particularly reference by Indian Ambassador to neutrality which might make Soviets think they had only to press for this in order obtain it. Gruber interjected he had never spoken of neutrality but only Austrian non-participation in military pacts. Raab stressed need for mutual trust and confidence and pointed to Austrian record of courageous anti-communism.

I replied US had full confidence in Austrian Government and their objectives in this matter but urged importance close coordination tactics. In this connection I said hoped Austrians would do nothing particularly in connection with their negotiations with Soviets to lighten burdens of occupations which would compromise our freedom of maneuver in treaty negotiations particularly re Article 35.

In subsequent discussion with Schaerf he said his party had nothing to do with the Indian move. In view enormous assistance Austria had received from US she had duty to consult with US before making any move concerning her future and in her own interest would remain firmly on side of West. Expressed profound distrust of Soviets who want German neutrality and disarmament to permit Soviet domination of Europe. Expressed fear that more naive Austrians might think themselves smarter than Soviets and that America might turn her back on Europe.

Appears clear Gruber acted on his own in Nehru approach with possibly only vague general endorsement from Raab and believe

---

[1] Repeated to Moscow, London, and Paris.

[2] *Supra.*

Gruber's influence greatly diminished by this incident. Foregoing discussed with Caccia who making similar reports today.

In long conversation with Gruber this morning he attempted justify and rationalize his action on basis necessity prepare now for time when Austrian public opinion would be deceived by Soviet gestures and think treaty could be achieved through Austrian neutrality. Full report by mail [3] but clear his basic views on tactics differ fundamentally from ours although he is genuinely anti-Communist. I am convinced of good faith of Raab and Schaerf in this matter and believe solution lies in working more directly with them.

THOMPSON

[3] Presumably a reference to despatch 100 from Vienna, July 11, in which Thompson summarized his conversations with Raab, Gruber, Schaerf, and Kreisky concerning the treaty negotiations and the contacts with the Soviets through Indian officials. (663.001/7–1153)

No. 875

Editorial Note

The Foreign Ministers of the United States, the United Kingdom, and France met in Washington, July 10–14, to discuss a wide range of problems of mutual concern including Austrian independence. For the records of these meetings, see volume V, Part 2, pages 1582 ff.

No. 876

S/S–NSC files, lot 63 D 351, NSC 38 Series

Memorandum by the Under Secretary of State (Smith) to the Executive Secretary of the National Security Council (Lay) [1]

TOP SECRET WASHINGTON, July 23, 1953.

Subject: Fourth Progress Report on NSC 38/4 [2] and NSC 38/6, [3] "Future Courses of U.S. Action with Respect to Austria" (including reference to NSC 63/1).

[1] Attached to the source text was a covering memorandum which briefly summarized the contents of this Progress Report. According to NSC Action No. 885, the National Security Council, at its meeting on Aug. 13, 1953, noted this Progress Report and the fact that the Department of State was preparing a proposed revision of these policies. (Eisenhower Library, Eisenhower papers, Whitman file)

[2] *Foreign Relations*, 1949, vol. III, pp. 1190–1197.

[3] See the editorial note, *ibid.*, 1950, vol. IV, p. 397.

1. NSC 38/4 was approved as Governmental Policy on November 18, 1949; NSC 38/6, on May 5, 1950. It is requested that this Progress Report, covering the period June 15, 1951 to June 15, 1953 be circulated to the members of the Council for their information.

2. No important four-power negotiations on the Austrian Treaty have taken place since the fall of 1949. The Soviets have refused to discuss the abbreviated treaty text which the Western Powers proposed as a basis for renewed negotiations in March, 1952. In December, 1952 the UN General Assembly, by a vote of 48–0 with the Soviet bloc abstaining, urged the occupying powers to renew negotiations with a view to concluding quickly an Austrian settlement. On April 30, 1953 the NSC considered U.S. policy on the treaty and agreed that the Department of State should be authorized to enter into negotiations for an Austrian Treaty, if necessary on the basis of the long draft Treaty (NSC Action No. 778).[4] In May the Soviets refused to attend a meeting of the Treaty Deputies on the grounds that the Deputies lacked competence and in any case would not succeed.

3. The British, French and Soviets continue to collect occupation costs from the Austrian Government, which recently has stated that no reason exists for the maintenance of occupation forces in Austria.

. . . . . .

5. Shipment of equipment for the 28,000 man post-treaty Austrian army is over 80 per cent (money value) complete. The Austrian program, which comprises solely army items, totalled $68.2 million as of May 30, 1953. It is designed to provide major equipment for two constabulary-type divisions. Part of the stockpile is in the custody of the Commanding General, U.S. Forces Austria and the remainder in France and Germany. The question of the future location of this stockpile is under study.

6. Construction of an airstrip in the Western Sectors of Vienna, which would be operational for C–47's, has been found not to be feasible (NSC 63/1, "U.S. Policy in the Event of a Blockade of Vienna," approved as Governmental policy on February 17, 1950[5]).

7. In view of changes in the Austrian situation and the full or near completion of certain actions covered in existing NSC papers on Austria, the Department of State considers that a new NSC paper on Austria should be initiated. Accordingly, a new paper, which has been prepared within the Department of State, is now

---

[4] For the memorandum of discussion of this meeting of the National Security Council, which includes NSC Action No. 778, see Document 864.

[5] *Foreign Relations*, 1950, vol. IV, p. 372.

being circulated at the working level and will soon be submitted to the Council.

W. B. SMITH

No. 877

763.0221/7-3053: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

PRIORITY VIENNA, July 30, 1953.

262. Soviet HICOM this morning delivered note to Chancellor with copies to Western HICOMs stating that in accordance with Austrian Government desire the Soviet Government now finds it possible effective August 1 to assume "all expenditures for maintenance of Soviet occupation forces" and thereby relieve Austrian budget from these costs. [2]

In response to press queries, US HICOM released following comment:

"The US element welcomes this development. It will be recalled that the US element in Austria has been paying all of its own expenses since June of 1947 and, of course will continue to do so. Any step which lightens the burden of occupation carried by the Austrian Government and the Austrian people will, I am sure, be welcomed by all concerned. It is hoped that this action by the Soviet element will be followed by the vastly more important relinquishment for the benefit of the Austrian economy of the so-called former German assets, as was done in 1946 by the US, France, and the United Kingdom. Best of all would be the prompt conclusion of an Austrian State Treaty."

THOMPSON

---

[1] Repeated to Bonn and Moscow.

[2] According to telegram 269 from Vienna, July 30, both the British and French High Commissioners were "seriously perturbed" over the consequences of the Soviet move to renounce occupation costs even though this action was not unexpected. Thompson stated that there was little doubt that both countries would eventually be forced to follow suit. (763.0221/7-3053) The Department of State was also informed in telegram 382 from Paris, July 30, that the French Foreign Ministry was disturbed by this Soviet action because this was particularly a bad moment for the French in light of their efforts to reduce their military budget. An official of the Foreign Ministry commented that this might necessitate a reduction of French forces in Austria. (763.0221/7-3053) When E. E. Tomkins, First Secretary of the British Embassy, visited the Department of State on Aug. 3, a similar indication was given about the possible reduction of British forces in Austria. (Memorandum of conversation by Collins, Aug. 3, 763.0221/8-353)

No. 878

611.63/7-3053: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

SECRET VIENNA, July 30, 1953—8 p.m.

270. Limit distribution. Department circular 53. [1] Unquestionably confidence of Austrian Government and people in US leadership was shaken by developments early part this year. Principal causes were following:

1. Exaggerated reports both US and Austrian press of such matters as Congressional investigations, purge USIS [2] libraries, etc. Kaghan case [3] had particularly unfortunate repercussions in Austria where he was well-known by virtually all top officials government as vigorous and effective anti-Communist. Socialists particularly sensitive these developments as tending confirm their fears new US administration would follow policies opposed to liberal concepts Austrian socialism. Both Austrian political parties tend interpret foreign events in terms sharp class and occupational divisions prevailing in Austrian politics. State Secretary for Foreign Affairs, Kreisky recently informed me there had been serious discussions in top social circles as to whether party could continue follow US leadership in view these developments. Believe situation now seen at least in government circles in more true perspective.

2. Scepticism with which our official announcements and propaganda greeted each move Soviet peace offensive caused many of less politically sophisticated to doubt whether US genuinely wished arrive at settlement with Soviet Union. This feeling reinforced by Attlee's outburst, [4] reluctance agree four power talks, etc. Many Austrian officials on other hand more concerned lest US deceived by Soviet moves and make deal at Europe's expense. To the extent domestic and other considerations allow, I am convinced our propa-

---

[1] Circular telegram 53 asked the Ambassadors in 11 NATO countries and Austria and Germany for their frank confidential estimate and views on how the United States was regarded by the public and government in the countries to which they were accredited. (611.00/7-2353) For the reply to this circular telegram from Bonn, see Document 208.

[2] U.S. Information Service.

[3] Theodore Kaghan, Deputy Chief of the Public Affairs Office, HICOG, was accused of being soft on communism in April 1953. After appearances before the Permanent Subcommittee on Investigations of the Senate Government Operations Committee, in which he denied the accusations, Kaghan resigned in May 1953.

[4] Presumably a reference to former Prime Minister Attlee's speech before the House of Commons on May 12, 1953, in which he criticized the United States and its foreign policy. For text, see *H. C. Deb 5s*, vol. 515, cols. 1061–1071.

ganda and official statements should place more emphasis on welcoming and encouraging further Soviet moves toward detente in East-West relations. Gruber recently remarked that we should be careful not to provide the excuse for a reversal of Soviet policy, which he believes will eventually occur. Effect on public opinion would be serious if Communists could successfully maintain that Soviet efforts to reach accommodation had been rebuffed.

3. There is in Austria underlying doubt of our ability maintain continuity in our basic international policies. This based more on historical than recent events, although emphasis on foreign affairs in election campaign stimulated these misgivings. These are being allayed as the outlines of the policies of the new administration are becoming clear.

4. Strain of long occupation and accumulated resentment at what some Austrians regard as undue interference in their economic affairs without sufficient regard for political consequences of our actions have made Austrians fretful. This exacerbated by extent of our East-West trade controls. The increasing intensity of these controls has been cause for serious concern among agricultural, industrial and organized labor groups as well as Austrian Government. Diminished Austrian trade with East and simultaneous difficulties finding West markets in country heavily dependent upon international trade is subject of continued Communist press attacks but also of thoughtful analyses in non-Communist press. While Austrian Government cooperation on East-West controls has been remarkably good in past, I believe simplification and reduction in number of items subject to quantitative control essential for the accomplishment of basic objectives of program.

5. Closely related to growing resentment at overly rigid and broad scope East-West controls is question repeatedly put to us by Austrians as why US simultaneously continues adhere to restrictive import policy that handicaps Austrian ability to earn needed dollars. Reduction in East-West trade has forced Austria to find import supplies and export outlets elsewhere with greatly increased dependence upon dollar area for imports of commodities formerly obtained in East Europe. The problem becomes increasingly acute as MSA dollar grants to Austria diminish. US is criticized for advocating and even pressing Europeans for liberalization of trade while not practicing that philosophy itself.

While factors listed have caused us serious preoccupation, basic confidence in US democracy and leadership is intact, Austria would be one of last countries in Europe to be deceived by Soviet tactics and while Soviet peace offensive has doubtless caused much soul searching and while they will understandably endeavor to exploit situation to their advantage, net effect in my opinion has

been to increase Austrian determination remain firmly attached to West.

I have received categoric assurances to this effect from President Koerner as well as the Chancellor and Vice Chancellor.

THOMPSON

No. 879

663.001/8–153: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, August 1, 1953—noon.

282. Discussed Austrian Treaty question with Raab, Gruber and Helmer together this morning. Meeting will be held with three Western High Commissioners Monday or Tuesday. [2] All three Austrians firmly of opinion we should now withdraw short draft and get Russians into substantive negotiations. Raab assured me Austrians had had no discussions this matter since presentation Bischoff memo [3] other than Ilychev remark to Raab that Austrians had not yet replied to questions put to Austrian Ambassador by Molotov. Fully agreed concert replies. Austrians intend publish Bischoff memo in view press statements stimulated by remarks London Foreign Office spokesman. Agreed discuss text their press release with us Monday.

Raab suggested might be advisable suggest Austrian participate in further negotiations. I pointed out such participation had both advantages and disadvantages but undertook obtain Washington's views. Helmer thought Russians would be obliged refuse or at least confine Austrian role to that of observer but that would be useful force their refusal.

I repeated request for Austrian position on substance of treaty which was promised soonest. I stated our interest was in securing treaty which would fully restore Austrian sovereignty and ensure maintenance its economic and political independence. While chiefly for Austria to decide what economic terms she could support warned that in making their calculations they should not count on US assistance and our concern that onerous treaty might be interpreted by US Senate as US undertaking pay tribute to USSR. Raab

---

[1] Repeated to London, Paris, Moscow, and Bonn.

[2] For a record of this meeting, see telegram 296, *infra*.

[3] Reference to the Austrian memorandum to the Soviet Government of June 30. See Document 872.

indicated he was thinking in terms of some international loan such as league loans which Austria could repay.

Re neutrality Raab said important to first get Russians out then examine position of Austria. Gruber repeated he had in mind only Austrian statement non-membership in military pacts not neutralization.

I made clear had received no instructions and explained our tactics in not withdrawing short draft in advance substantive discussions. It is evident however, that our failure withdraw short draft now would place us in very difficult position with Austrians and strongly urge we do so.

THOMPSON

No. 880

663.001/8–353: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, August 3, 1953—7 p.m.

296. West HICOMs met this morning with Gruber and Kreisky and subsequently with Raab, Helmer and Graf in addition. Gruber stated Cabinet meeting set for tomorrow to consider Austrian position on reply Soviet note. [2] Gruber's thought is that West powers should reply first withdrawing short draft which would enable Austrian reply merely refer that fact. Substantive portion of draft reply which Gruber proposes Raab submit to Cabinet tomorrow is as follows: "The Government of Austria is also convinced that Austrian Parliament will agree to four power decision on Austria in the confidence and on condition that this agreement shall protect both freedom and independence of Austria as well as her economic ability to exist. This is only criterion applied by Government of Austria and entire Austrian people in considering negotiations and decisions of four powers on Austrian question". To offset failure Austrian Government to renounce its opposition long draft Gruber would include language to effect in view armistice Korea and other developments Austria has reached new evaluation international situation.

At meeting with Raab Austrians specifically requested West powers to withdraw short draft, both Austrian parties arguing that

---

[1] Repeated to London, Paris, Moscow, and Bonn.

[2] Reference to the Soviet note of July 29 which requested that the Austrian Government withdraw its support of the abbreviated treaty. See Document 872.

failure to do so would leave us in hopeless propaganda position and make position Austrian Government most difficult. Gruber had earlier gone far to suggest Austria would in such event have to make her position clear.

I expressed concern that meeting of Cabinet before West powers views made known was dangerous procedure and pointed out that despite my conversation with Raab and Helmer on Saturday, [3] latter had already publicly come out for withdrawal short draft. Since Cabinet meeting already announced impossible secure cancellation, but Raab undertook that communiqué would be cleared with West powers and suggested that it would merely state Cabinet had considered matter and that details were being worked out. Kreisky suggested Austria wished to give appearance of formulating independent decision while in fact fully coordinating with us.

Announcement Cabinet meeting puts Austrians on spot for early reply and Gruber pressed for decision this week. We stated this clearly impossible but agreed to meet at latest August 13. Necessary fix date since Austrian officials concerned will all be on holiday and obliged return this purpose.

Austrians recognized was matter for West powers to decide what procedure should be proposed for further negotiations whether Foreign Ministers or deputies.

Raab did not again raise question Austrian participation and has apparently dropped idea.

In subsequent meeting with French and British HICOMs both stated they believed no practical alternative to dropping short draft and are so recommending their governments. While PP and Socialists have divergent views on best tactics dealing with Russians both are firmly of opinion short draft should be withdrawn and in event our failure do so I do not believe we could maintain common front with Austrians. Even should we through greatest pressure prevent government from taking this position would be impossible restrain individual officials. Disadvantage allowing Soviets drive this wedge and raising real question in minds Austrians US objectives outweigh, I believe, any weakening our tactical position caused by withdrawal short draft.

While I presented arguments against withdrawal short draft and endeavored keep position open, I did not reveal to Austrians position taken in Deptel 369 [4] out of concern that Austrians might be

---

[3] For a record of this meeting on Saturday, Aug. 1, see telegram 282, *supra*.

[4] Telegram 369 recommended that in light of the recent Soviet note of July 29, the United States should try to redirect the subject of the note toward a four-power meeting while not giving the appearance of rebuffing the "limited Soviet overture." It also reported that the Department of State continued to believe that the formal

Continued

tempted publicly reveal their position in effort force issue. Strongly urge reconsideration our position.

THOMPSON

---

withdrawal of the abbreviated treaty was undesirable on the grounds that concessions made before the meeting would limit the bargaining position, particularly when the solution of the problem was apparently not dependent on concessions in Austria. (663.001/8–153)

No. 881

663.001/8–353: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

SECRET VIENNA, August 3, 1953—8 p.m.

297. Kreisky asked to see me alone today. He had seen Schaerf in Bad Gastein over weekend who asked that I be informed he supported withdrawal short draft treaty in present circumstances. Kreisky emphasized Socialists most anxious coordinate policies with us. They worried Raab's recent moves on international grounds as well as advantage he has gained on Austrian political scene. Indicated would be difficult if not impossible for Socialists to oppose PP on question withdrawal short draft and Socialists persuaded by recent reports particularly lower Austria that failure withdraw would be serious mistake.

Kreisky believes Austrian Government should face up to question of what kind treaty would be acceptable to Austria and indicated his party would try to force early decision by government. His personal view is that present provisions Article 35 re oil unacceptable and that $150 million too much for Austria to pay. Suggested figure should be reduced to $100 million for period of payment extended with payment in goods instead of dollars. Advanced personal suggestion that while Austria should probably not attempt participate in negotiating treaty as whole, she should ask or be invited participate in discussion Article 35.

I did not encourage this idea but believe we should give it serious consideration at appropriate time. While desirable that Austrians be allowed pay in goods elaboration of any list would almost certainly raise difficulties re Battle Act. I did encourage Kreisky to endeavor speed up transmission to us Austrian ideas on substance treaty.

THOMPSON

No. 882

Editorial Note

On August 17 United States officials delivered a note to the Soviet Foreign Ministry which stated that the United States Government "undertakes not to introduce for consideration the abbreviated treaty" and proposed a convening of the Treaty Deputies in London on August 31. Similar notes were delivered at the same time by British and French officials. In reply to these proposals, the Soviet Government issued a note on August 28 stating that these were not satisfactory proposals regarding the Austrian Treaty. For the United States note of August 17, see Department of State *Bulletin*, August 31, 1953, page 282; for the Soviet note of August 28, see *Documents* (R.I.I.A.) for 1953, pages 151–152.

No. 883

663.001/8–1853: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET PRIORITY VIENNA, August 18, 1953—1 p.m.

431. Gruber informed UK and French Chargés and myself this morning that in addition to presenting draft Austrian reply to parliamentary committee Cabinet this morning had also decided to present draft note to four powers requesting Austrian participation in future treaty negotiations. I asked that we see the Chancellor and Vice-Chancellor immediately which was arranged. I pointed out that at our last meeting with Chancellor [2] we had specifically asked whether he wished to pursue this suggestion and that he had indicated he did not. On this assumption we had prepared our notes [3] and Austrian Government was now taking action without giving us opportunity to comment. I also pointed out that proposed action might furnish excuse to Soviets for further delay. I also noted that should Austrians be present at next meeting Soviets could begin by pressing them for their attitude on long draft and could exploit to their advantage any answer Austrians could make. I argued it was surely better to carry out purpose of our notes,

---

[1] Repeated to London, Paris, and Moscow.

[2] For a record of this meeting, see telegram 282, Document 879.

[3] A reference to the U.S. note to the Soviet Government on Aug. 17; see the editorial note, *supra*.

namely to force Russians to conference table and make them take a position.

Raab and Schaerf said a new element in the situation was last Soviet note [4] on Germany which appeared to envisage German participation. They did not think Parliament could be prevented from expressing itself in this sense and were afraid that VDU members or others might present matter in a manner which would embarrass government and possibly be more difficult for us. In effort to meet my objections they agreed that two government parties would endeavor in Parliamentary committee to handle matter in such way as to result in request from committee that government explore possibilities of Austrian participation in future negotiations. This would at least give us some opportunity to comment and not provide Russians with excuse for not coming to London.

Initiative for this move appears to come chiefly from Socialists but both Raab and Schaerf felt government must be prepared to assume its responsibilities with respect to treaty and that they could not ignore clear wish of the Parliament.

THOMPSON

[4] Document 264.

No. 884

763.0221/8-2553: Despatch

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, August 25, 1953.

No. 310

Ref: Embassy's Despatch 2068, June 12, 1953 [2]

Subject: Recent Soviet Policy in Austria

Summary

The recently instituted "soft" policy practiced by the Soviet Union in Austria is not entirely a departure from former Soviet practice here, Soviet policy in Austria having been notably more lenient in Austria than in Germany, for example, ever since 1945. It may be regarded, rather, as the intensified use of one element in Soviet tactics which has always been present here. The fact that

[1] Drafted by Johnpoll and distributed to USCOA, London, Paris, Bonn, and Moscow.

[2] This despatch summarized recent Soviet actions in Austria from April through June. (763.0221/6-1253)

the "soft" policy has been practiced by the Soviets in such a way that no significant position of Soviet power has been sacrificed would not seem to support expectations of Soviet readiness to sign a State Treaty at the present time.

Assuming that the Soviet Union's chief purposes in Austria have been (1) to retain a position of military power in the West, (2) to maintain a position which could be traded off for something of greater importance, and (3) to exploit Austria economically, no change in these basic motives appears to be inherent in the recent Soviet concessions.

There are still many concessions which the Soviet Union can offer Austria without significant cost to itself, chief among them, perhaps, being the return to Austria of part of the USIA economic complex. Presumably the concessions will continue for a time. Considering all factors and present indications, the Embassy doubts the Soviet Union is prepared in the next few months to conclude an acceptable State Treaty. The possibility that recent Soviet "concessions" might culminate in a proposal to withdraw all occupation troops despite the absence of a Treaty should not be entirely overlooked even though in the Embassy's opinion, such a proposal is unlikely. As regards the effect of recent Soviet actions, they will not make headway with Austrian public opinion until the Soviet Union demonstrates its willingness to conclude a State Treaty.

Our own policy would therefore seem to call for emphasis in public statements on the necessity for a State Treaty; for continued efforts to get the Soviet Union to the conference table; and for putting the Soviet Union under as much pressure as possible to agree to an acceptable State Treaty for Austria.

Recent Soviet Policy in Austria

The striking series of moves by the Soviet Union toward Austria since late April naturally gives rise to many questions centering about the relationship of Soviet policy in Austria with Soviet policy in general. Among such questions are:

(1) Does the recent trend of Soviet policy in Austria represent a change in local Soviet tactics; or (2) a change in local basic Soviet objectives; or (3) both; or (4) does it represent merely a change in tempo and intensity of the previous tactics pursued here by the Soviet Union? (5) How in the past has Soviet policy in Austria been coordinated with general Soviet foreign policies? Is there a clue in the present Soviet line in Austria to present general Soviet policies?

It goes without saying that the Embassy is not in a position to make useful deductions concerning some of the problems here raised; and even on those problems with which it can appropriately

deal, more time for the still fluid situation to develop and more intimate knowledge than is here possible of trends in Moscow, Berlin, and elsewhere are needed for a useful reading of overall Soviet foreign policy. Nevertheless, the gradual unfolding of a trend in Soviet tactics in Austria since Stalin's death seems to have reached a point where some conclusions concerning the questions listed above can be drawn.

Soviet Aims in Austria Before the "New Look"

Soviet policy in Austria before last April displayed a degree of flexibility, and sensitivity to public opinion both in Austria and elsewhere, considerably greater than did Soviet conduct of affairs in Germany and in relations generally with the West. That is not to say that the Soviet occupation of Austria was not marked by the arbitrary exercise of power. Indeed, arbitrary acts by the Soviet authorities here were constant, as an examination of the records of the Allied Council will disclose. From time to time Soviet interference in Austrian internal affairs almost reached the point of challenging the Austrian Government's sovereignty. Examples of such interference are provided by Soviet interference with the police during the October 1950 general strike; and by Soviet removal of rubber truncheons during the recent Federal election campaign from the equipment of the gendarmerie (provincial police force), a normal police weapon provided for under the legal regulations of the Austrian Government.

Yet, Soviet arbitrariness in Austria differed, not only in degree but in kind, from that practiced elsewhere. Austria was not divided into two parts; anti-Communist political parties were permitted to flourish in the Soviet Zone, with the result that the Austrian Communist Party was unable to become more than an insignificant minority party; the Austrian Government was permitted to retain the essentials of sovereignty; travel and commerce between the occupation zones was allowed, albeit with irritating hindrances at times; the Allied Council, although often stultified by Soviet intransigeance, continued to function with at least a show of common purpose.

It is a debatable point whether Soviet conduct in Austria, less direct and brutal than elsewhere, was due directly to a Soviet policy decision to pursue different tactics here; or was primarily the result of certain differences between the Austrian and German situations which might have caused the Russians to regard full exploitation of their capabilities for mischief as unwise. Whatever the cause, it seems to be an established fact that Soviet policy in Austria was marked by a degree of flexibility, persuasiveness, and sensitivity to outside opinion which, while still far from enough to be

convincing, was nevertheless notably greater than was exhibited elsewhere.

The purposes of Soviet policy in Austria from the end of the War to Stalin's death seem reducible to three main points, which taken as a whole would seem to account for the contradictory elements of intransigence and tractability which the Soviet Union showed here:

1. *Maintenance of a military position* representing the high tide of expansion to the southwest by the Soviet Union, provided the Soviet Union with an ideological and military buffer between the West and the Soviet satellite empire, as well as a legal pretext for maintaining Soviet troops in Hungary and Rumania. Of limited but tangible defensive value to the Soviet Union, the Soviet Zone would also seem to be of offensive military value; offering the Soviet Army a possible opportunity, after a comparatively short march over good roads and accessible terrain, to overrun the land routes connecting Yugoslavia and Italy with one another and to separate them from their supporting Allies in the North.
2. *The economic exploitation of Austria,* while in some respects of only minor importance to the Soviet Union, is of enough significance in at least one product, petroleum, to regard its retention as one of the objects of Soviet policy here.
3. *Retention of a position in Austria which could be traded off* for something of greater value elsewhere, in the event of an eventual settlement with the West in Central Europe, may well have been one of the guiding aims of the Soviet Union's policy here.

If it be assumed that Soviet tactics in Austria were in fact designed to serve these ends, then there can be perceived a thread of consistency between Soviet actions within Austria, Soviet foreign policy generally, and the Soviet Union's obdurate refusal to sign a State Treaty on any reasonable terms. However, with the death of Stalin and the inception of a series of seemingly spectacular and conciliatory moves by the Soviet authorities in Austria, it is well to ask whether these developments might conceivably call for changes in our assessment of Soviet tactics or aims, or both.

The Soviet "Concessions" in Austria

As reported in Embassy's Despatch 2068 of June 12, the current series of conciliatory gestures may be considered to have begun late in April and to have developed considerable momentum by the second week in June. During the period when these moves in Austria were developing a good head of steam, it will be recalled, the Soviet Union refused to send its Deputy to the Treaty meeting in London called by the Western Powers for May 27, 1953. Despatch 2068 expressed the Embassy's conclusions that Soviet policies had not yet given cause in Austria to believe that Soviet aims here had undergone any basic alterations; that the "concessions" did not entail any significant recession of Soviet power in or from Austria;

and that nothing had occurred in Austria to suggest Soviet readiness to achieve a reasonable settlement of the Austrian problem either alone or as part of a more general settlement.

After the flurry of Soviet concessions during early June, there followed a period of relative quiescence, during which no major developments in the Soviet line could be noted. However, Soviet conduct in Austria continued to be predominantly "soft". Improved relations with the Austrian Government, particularly with Chancellor Raab himself, were sought by the Soviet authorities during this period, and not entirely without success. The Soviet occupation seemed to develop a new appreciation of the fact that a sovereign Austrian Government existed. Minor concessions, such as a very slow but continuous derequisitioning of Soviet-occupied buildings, were carried out. The return of the Ybbs-Persenbeug dam site to the Austrian Government was carried through, an arrangement which for reasons given in the reference despatch would fit into Soviet plans to remain in Austria indefinitely but which Chancellor Raab welcomed nonetheless because of his political interest in Lower Austria. That some economic negotiations of an inconclusive nature took place between representatives of the Austrian Government and the Soviet occupation seems to be implied by the fifth point of the Austrian Memorandum of June 30, 1953 delivered to the Soviet Government at Moscow. [3] (It will be recalled that the Austrian Memorandum, forwarded to the Department under cover of Despatch 2162, June 29, 1953, [4] referred to "certain supplementary proposals" made by the Austrians to the Soviet authorities in Vienna "in recent days.")

It need hardly be added that any hint of an accommodating attitude toward the Soviet Government on the part of Chancellor Raab arises, not from any weakening in his opposition to Communism and Soviet power, but from the fact that a State Treaty and Austrian independence hinge largely on Soviet agreement. In addition, a certain amount of accommodation by Raab toward the Soviet Union is made unavoidable by Austria's status as a country partly occupied by the Russians; and by the inclination of the Austrian Government to do everything within reason to encourage further concessions from the Soviet Union. Chancellor Raab's desire to give his own People's Party some political advantage over the other coalition party, the Socialists, by a show of personal ability to wring concessions from the Soviet Union is an important internal factor that helps to explain some of the Chancellor's recent pronouncements.

---

[3] See Document 872.

[4] Not printed. (661.63/6–2953)

A certain show of independence from the United States on the part of the Austrian Government is a natural accompaniment to its policy of encouraging Soviet concessions, particularly at a time when Soviet tactics have made Austrian assertion of such independence appear somewhat less dangerous to themselves than in the past.

On July 29 a new flurry of Soviet activity in Austria began, heralded by the Soviet Note to the Austrian Government on that date [5] calling on the Austrian Government to renounce its support of the Abbreviated Treaty Draft, hinting at Austrian participation in future negotiations for a State Treaty, but offering nothing but vague and stale promises. There followed in rapid succession the Soviet announcement on July 30 that it would no longer charge Austria for occupation costs; unilateral Soviet abolition on August 11 of postal, telephone, and telegraph censorship in the Soviet Zone; Soviet agreement at the Allied Council on August 14 to abolish all quadripartite censorship; and several minor concessions such as opening the Danube to a few French barges, removal of a few guard posts on the British-Soviet zonal demarcation line, continued derequisitioning on a small scale of Austrian buildings, and permission for the Austrian Federal Railways to use freely a number of railroad cars (for the most part obsolete) seized by the Soviet Union as war booty.

Paralleling these developments in Austro-Soviet relations was the delivery of two Soviet Notes to the Western Powers dealing with the State Treaty problem. Of chief interest in this connection, aside from the Soviet Note directly to the Austrian Government calling for renunciation of the Abbreviated Treaty text, were the Soviet Notes to the three Western Powers of July 30, [6] calling for withdrawal of the Abbreviated Text but without any tangible offer of a *quid pro quo;* and the Soviet Note of August 5 [7] to the three Western Powers "accepting" an invitation to a meeting of the four Foreign Ministers, but with such conditions as to render it virtually a refusal, and at the very least opening up the possibility that the Soviet Union might make agreement on an Austrian State Treaty dependent upon prior solution of the German problem. Also falling into this period was Malenkov's speech of August 9 in which he dealt, *inter alia,* with Austria but not in a manner to suggest any change in Soviet policies toward the settlement of the German or Austrian problems.

---

[5] See Document 872.

[6] See Document 870.

[7] Reference to the Soviet note which was delivered to the Embassy in Moscow on Aug. 4. For text, see Document 259.

It is of course impossible at the moment to predict whether another lull in the development of the Soviet line in Austria has now been reached, such as occurred during July, or whether further Soviet actions in the current series are to be immediately forthcoming.

The Pattern of Soviet Activity

The more recent Soviet "concessions" do not differ in kind from the concessions offered during the Spring. As in the previous concessions, the latest ones seem designed to make a spectacular show of relaxation but actually involve little or no sacrifice of any consequence on the part of the Soviets. Surrender of occupation costs will at most impose only a minor additional financial burden on the Soviet Union's budget. The sum of approximately 150 million schillings (equivalent to about $5,770,000) is insignificant in a budget the size of Soviet Russia's. Furthermore, should the Soviet Union so decide, it could easily make up the 150 million schillings per year through increased exploitation of its economic position in Austria. While not entailing any significantly increased burden or sacrifice for the Soviet occupation, the Soviet action in giving up the occupation costs does serve the purpose of embarrassing Great Britain and France, and has already resulted in England's renunciation of occupation costs while France seems likely to follow suit in the near future. The Soviet action also served the purpose of maintaining the momentum of the "peace offensive", and at an insignificant price.

Abolition of censorship fits into the same pattern. From information available to the Embassy it appears that both the unilateral Soviet censorship and the quadripartite censorship were of little intelligence value to the Soviet occupation. Here again is a "major concession" costing the Soviet Union nothing. The intense Russian desire to get favorable headlines in Austria was well illustrated by the manner in which the Soviet Union went about abolishing censorship. It will be recalled that the three Western powers publicly gave up censorship in their zones of occupation during 1947; and that the Soviet Union was the only power still known to be practicing it. At the August 7 meeting of the Executive Committee of the Allied Council the Soviet representative requested that a Western resolution abolishing all censorship of postal, telephone, and telegraphic matter be postponed to enable the Soviet authorities to give the matter further study. Then, on August 11, three days before the next scheduled meeting of the Allied council, the Soviet occupation authorities announced with great fanfare that unilateral censorship in the Soviet Zone was being abolished. Then, at the August 14 meeting of the Allied Council the Soviet Union finally

agreed to the abolition of all postal, telephone and telegraph censorship. It seems clear that the timing of Soviet action on censorship was designed primarily to permit the Soviet occupation to be able to claim credit for the initiative in granting this concession to Austria's sovereignty.

What May Be the Motives Behind Soviet Action in Austria?

Although Soviet moves in the last few months in Austria do not appear to offer evidence of new Soviet goals or even tactics, it is quite evident that Soviet conduct in Austria has undergone some changes since the beginning of April. Perhaps it might be most descriptive of this change to label it an intensified and shrewder application of an element of Soviet tactics which has always been present, to a lesser or greater degree, in Soviet policy in Austria. The probabilities seem to indicate no significant changes in Soviet aims; no reasonable Austrian State Treaty; no reasonable Central European settlement. The Soviet game, at least as it has exhibited itself up to now in Austria seems aimed at giving increased credence here and abroad to the supposed Soviet "new look", and attempting to win back for the Soviet Union as much support in Austrian public opinion as possible. From the texts of the recent Soviet notes it appears most unlikely that the Soviet Union has any serious intention of concluding a State Treaty acceptable to the Western powers. It does not even appear likely that the Soviets would be prepared to accept the Long Treaty with the Soviet version of the unagreed articles. It is almost tautological to point out that the ambiguous Soviet references in its August 5 note to Asian affairs, to the usefulness which a prior German settlement would have for a conclusion of an Austrian Treaty, and insistence upon Western withdrawal of the Short Draft without a Soviet offer of *quid pro quo*, seem to indicate Soviet preparation of excuses in advance for stalling a State Treaty if all other excuses should fail. It is interesting to note, also, that the Communist press in Austria has claimed repeatedly during the past few weeks that the Western Powers have not withdrawn the Abbreviated Text. This may possibly be a preparatory maneuver publicly to blame the West for the presumably foreordained breakdown of Treaty negotiations. Still another indication that the Soviet Union may not be prepared to conclude a State Treaty at the present time is to be found in the implication of the Soviet Union's July 30 Note to Austria that Austria may herself become a party to Treaty negotiations. In the past, of course, the Soviet Union has insisted that the State Treaty is a subject only to be decided by the Council of Foreign Ministers or by the "Big Four" Chiefs of State. It is difficult to regard this move by

the Soviet Union as consistent with a desire to settle the State Treaty problem.

If the Soviet Union had any serious desire to achieve a State Treaty it could presumably force our hand by making a flat offer to sign the Long Draft in its present form, and depend upon pressure from Austria, France, and England to win our agreement. For example, members of both major parties in Austria have stated to Embassy officers their willingness to accept the Long Treaty in the absence of availability of a better one, and presumably the Soviet representatives in Austria are aware that this is the viewpoint of People's Party and Socialist leaders. It would seem to follow, therefore, that, if one were to assume Soviet willingness to sign the Long Treaty in its present form, the Soviet Government would see the tactical advantage it could draw from an unqualified statement of readiness to sign the document. Such an offer might well either force United States acquiescence to the Long Treaty, or else might cause a very serious rift between the United States on one side and Austria, England, and France on the other. Much as the Soviet Union would welcome such a rift in the West evidently not even that objective is important enough to the Soviet Union to warrant the risk of having to sign the Long Draft State Treaty.

In this connection it may be worth noting that it would be in keeping with present Soviet tactics to inject the "neutralization" of Austria into the State Treaty discussion. Whether Austria's neutralization is in fact an objective of Soviet policy and whether the Soviet Union would accept any assurance of Austrian neutrality except under impossible guarantees that would violate Austrian sovereignty appear extremely doubtful. However, as a tool with which to provoke discord in the West and with which to attempt to shake the predominantly pro-Western orientation of the Austrian Government and public, a "neutrality" proposal might serve the Soviet Union very well.

Referring back to the list of three objectives held to have governed Soviet policy in Austria until last spring (paragraph 7 of this despatch), it would seem that on the basis of Soviet conduct here in the last four months there is no reason to believe any of the objectives have changed. However, there is reason to believe that the Soviet Union is using its position in Austria as a lever with which to play off one Western Power against another, and trouble Austro-American relations, more skillfully than in the past.

It appears not unreasonable to predict that further efforts will be made by the Soviet Union to convey the impression that its foreign policy is reasonable and accommodating. The Soviet Union does not seem to have made any really imposing gains yet through its "new look"; but it may hope that a continuance of its present policy for a

longer period of time may result in more impressive results. At any rate, it has cost the Soviet Union nothing; and some small dividends have already accrued to the Soviets in the form of more favorable headlines in Austria; some disagreements over foreign policy between the two Austrian coalition parties; loss by the West, at least for the time being, of the Abbreviated Treaty Draft as a bargaining position; and a new show of Austrian independence from Western tutelage which, while really a healthy sign, is probably pleasing to the Soviet Union for reasons quite apart from Austria's political health.

If the recently exhibited Soviet flexibility should continue to grow, a number of Soviet moves, not now on the horizon, might become possible. They might have rather embarrassing consequences for United States policy here unless we shall have worked out a reasonable and secure position in advance. An example of such a possible Soviet move would be the withdrawal of Soviet troops from Austria without regard for the absence of a State Treaty. Such a move might merely mean to the Soviet Union a withdrawal of its troops a few miles to the East and North, although the Soviet Union's troops might be recalled to Russia if the Soviet Union should regard the Czechoslovakian and Hungarian Armies as strong enough, and sufficiently under Soviet control, to maintain the Soviet position. Militarily it would seem to leave the Soviet Army in almost as favorable a position as it would be if it were to remain in Austria. Presumably such action by the Soviet Union would bring strong pressures on the Western Powers to follow suit. If it were decided to evacuate Western armed forces, the Soviet Union would then have achieved the propaganda advantage of initiating the military evacuation, while forcing the Western Powers to face some very difficult problems inherent both in remaining in Austria with military troops, and in evacuating their troops from Austria.

Arguing against the possibility of Soviet troop withdrawal from Austria is the bald fact that the Soviet Union has never, since the end of the war in Europe, voluntarily withdrawn from an advanced military position; and there have yet been no firm signs discernible here that Soviet foreign policy has acquired the degree of flexibility to withdraw from a position in the absence of stronger pressures than are known to bear at present on the Soviet Union. After all, the Soviet Union could withdraw its troops from Austria, by agreeing to the conclusion of a State Treaty which would mean also the withdrawal of Western troops. Since all signs point to Russia's refusal at the present time to sign a State Treaty; since there have been no firm indications up to now that the Soviet Union would withdraw from an advanced position without the existence of

strong pressures to do so; and since such pressures do not now seem to be present; the greater probability seems to be that the Soviet Union will not withdraw its forces from Austria in the foreseeable future, either by signing a State Treaty or unilaterally. At the same time, such action by Russians has been the subject of recent rumors here, and cannot be altogether ruled out. Should the Soviet Union's assessment of the European situation lead it some time in the future to place even greater emphasis on the importance of stirring up Western dissension (e.g. in the event of imminent French ratification of EDC), the Soviet Union might then well consider troop withdrawal from Austria as a cheap price to pay, particularly since a logistical study could conceivably lead the Soviet Government to believe that the withdrawal of all foreign troops from Austria would be a net military gain for the Soviet Army.

A further conclusion may be drawn from this reasoning: that while the Soviet Union's refusal to sign a State Treaty is strong evidence that the Soviet Union is not prepared to reach a final settlement of the principal international problems, the converse is not necessarily true. If the Soviet Union should at some future time be prepared to sign an Austrian State Treaty, that in itself would not necessarily indicate Soviet readiness to settle on reasonable terms other international issues. As pointed out above, signing a State Treaty or unilateral troop withdrawal can be used by the Soviet Union as a weapon in the Cold War, a weapon of considerable potency in the accomplishment of certain Soviet policy aims. The Soviet attitude toward an Austrian State Treaty, and Soviet moves in Austria as a barometer measuring Russian overall intentions, would seem to give reliable readings only when viewed against the background of Soviet moves elsewhere, particularly in regard to Germany and the Far East.

In the meantime, while the Soviet Union pursues its old goals but varies from time to time the emphasis it places on tactical maneuvers, there are still many concessions it can make in Austria which, like those already offered, would give continued impetus to the current "peace" line without entailing any loss of Soviet power or position. Among such possible concessions are the return of USIA (former German assets in Austria seized by the Russians) to the Austrian Government, since there is good reason to believe that many of the USIA enterprises have become a liability to the Soviet Union; abolition of newspaper censorship; permission for Austria to develop civil aviation; relinquishment of Russian control over RAVAG, the Austrian radio network; and cessation of Russian interference with the Austrian police force in the Soviet Zone.

American policy in reply to these Soviet tactics, emphasizing the State Treaty as the *sine quo non* of Austrian independence, has been successful in the main. A change does not appear to be called for. From the reasoning evolved in the course of this despatch there would seem to be some dangers in our pointing to Austria as a touchstone by which to measure general Soviet intentions, and it may be desirable for us to reconsider this position with respect both to public statements and policy planning. While the Embassy does not at this time believe it *probable* that the Soviet Union will withdraw its troops, it is, rather, a possibility which the Soviet leaders could translate into reality whenever it would suit their purposes, and for which we should, of course, be prepared in advance.

Austrian public opinion, while welcoming Soviet "concessions", has not been deluded by these moves and remains pro-Western. There is no reason to expect a change in this respect. The same is basically true of the Austrian Government; occasional public statements that seem to have a touch of neutralism by Austrian cabinet members do not, generally speaking, reflect distrust of the West but a desire to encourage continued Soviet concessions and to convince the Soviet Union that it can safely sign a State Treaty. The Soviet Union still has a long way to go before it will have ameliorated its occupation's hardships to Austria to the extent that the United States did years ago. The Austrian public is aware of this fact, and it is therefore unnecessary for us to engage in a race of concessions vis-à-vis the Soviet Union. Should the situation change, so that some dramatic moves by the United States become necessary in Austria, we will still have some room for maneuver, primarily in the State Treaty field where, barring a Russian reversal of form, we will continue to have the opportunity of exposing the power motives behind superficially conciliatory moves by the Soviet Union.

For the High Commissioner:
RICHARD H. DAVIS
Counselor of Embassy

No. 885

663.001/8–2653

Memorandum Prepared in the Embassy in Austria [1]

SECRET VIENNA, August 26, 1953.

MEMORANDUM ON AUSTRIAN NEUTRALIZATION AND THE STATE TREATY

SUMMARY

While there is no strong evidence that the Soviet Union intends in the near future to introduce into State Treaty negotiations a proposal for the neutralization of Austria, there is ample evidence to suggest that the Soviet Union has been, and still is, aware of the possibility of doing so. On balance, the Embassy does not regard as probable a Soviet Union proposal for Austrian neutralization at the present time. If the Soviet Union should introduce a proposal for Austrian neutrality, a number of factors might make it difficult for the United States to refuse to accept it if the conclusion of a State Treaty seemed to depend on our agreeing to a neutral status for Austria. If we should be forced to agree to some such proposal for Austrian neutrality, the Embassy believes that a strong effort should nevertheless be made to keep the door open to Austrian cooperation with the West.

THE PROBLEM

There have been a number of indications recently that the Soviet Union may propose, as one of several courses available to it in dealing with the problem of an Austrian State Treaty, that in one form or another Austria be neutralized. The Soviet Union may put forward such a demand either as the price of its agreement to a Treaty, or as a delaying tactic to avoid signing a State Treaty at the present time.

The purpose of this paper is to call attention to some of the principal factors in Austria which should be considered in determining the position to be adopted by the United States and the Western Powers if faced by such a proposal by the Soviet Union.

[Here follow sections concerning the definition of neutralization, the Soviet concept of neutralization, a description of certain indications that the Soviet Government may raise the neutralization

---

[1] Drafted by Johnpoll, Terry, and Compton and transmitted to the Department of State as enclosure 1 to despatch 314. According to this despatch, the memorandum was drafted in response to a request from the Department for the Embassy's views on the subject of neutralization. (663.001/8–2653)

issue, the Austrian attitude toward neutralization and the attitude of the Western powers.]

RECOMMENDATIONS

There is some evidence to suggest that the Soviet Union may introduce the question of Austrian neutrality in the course of future Treaty negotiations, although possibly only for purposes of diversion.

A neutralized Austria would raise difficult problems, economic, logistic, and strategic, for the West and for Austria. In addition, our agreement to Austrian neutrality would be contrary to the stated purpose of United States policy in Austria, since it would constitute an infringement of Austrian sovereignty. However, it might be difficult for the United States to receive official and popular Austrian support in rejecting a Soviet proposal for Austrian neutrality accompanied by the likelihood of Soviet agreement to a State Treaty, in view of the intense Austrian desire for any "bearable" Treaty. U.S. rejection of a neutrality proposal in the face of Austrian readiness to accept a neutral status might be next to impossible.

Naturally, the position to be taken by the United States on this issue will take into account many factors which the Embassy cannot appropriately consider. From the viewpoint of the Embassy in Vienna, the difficult problems Austrian neutralization would create for American policy and for Austrian sovereignty would seem to recommend that any proposal by the Soviet Union designed to neutralize Austria should be opposed by the United States, if the situation permits. A situation may arise, however, where Austrian pressure, and British and French acquiescence, may make it impossible for the United States to hold out against some form of Austrian neutralization. The Embassy recommends that, if the United States should find itself unable to hold out against Austrian neutralization, we should, in accepting neutralization, design our tactics to achieve the following conditions:

1) Austrian neutralization should be in a form to permit Austrian participation in European political, economic, and cultural organizations.

2) Austrian neutralization should be in a form which would not preclude her receiving military assistance from the United States, and the West in general, for defensive purposes.

3) Austrian neutralization should take the form of a unilateral Austrian declaration rather than a quadripartite guarantee.

4) The neutralization of Austria should not be accompanied by any enforcement clause, since the latter could be used by the Soviet Union to impair Austrian sovereignty.

5) Our agreement to Austrian neutralization should be part of a *quid pro quo* for Soviet Russian agreement to revision of Article 35 of the Long Treaty Draft. Obviously, genuine neutralization would be impossible for Austria if the Soviet Union should retain the extraterritorial status granted her by the present form of Article 35.

6) The West may find it feasible, in the course of negotiations with the Soviet Union over an Austrian State Treaty, to raise the possibility of neutralizing one or more of Austria's satellite neighbors (e.g. Hungary or Czechoslovakia) if the Soviet Union introduces the question of Austrian neutrality. Such a course would seem to be particularly justified by the fact that Hungary is a former enemy nation, whereas Austria has been declared by the Four Powers to be a liberated, rather than conquered, nation.

No. 886

Editorial Note

In preparation for the convening of the Austrian Treaty Deputies in London on August 31, as proposed in the United States note to the Soviet Government of August 17, the Department of State recommended that a tripartite group of British, French, and United States officials be formed in London to develop recommendations for negotiating tactics to be used if the August 31 meeting was held. Homer M. Byington was appointed by the Acting Secretary of State on August 17 to replace Dowling as the United States Deputy for Austria because of Dowling's transfer to Bonn. Byington was instructed to proceed to London along with other Department and Embassy advisers to begin the tripartite consultations. (Telegram 903 to London, August 21, 663.001/8–2153)

The formal invitations for the August 31 meeting were issued on August 24 by the Secretary General of the Council of Foreign Ministers and were accepted immediately by the United States, British, and French Deputies. On the evening of August 28 Soviet officials delivered a note to the United States Embassy in Moscow which clearly indicated that the Soviet Government had no interest in discussing Austria at that time. (Telegram 289 from Moscow, August 29, 663.001/8–2953)

Documentation concerning the tripartite meetings in London which began on August 28, including letters from Byington to Bonbright providing his personal evaluation of the talks, is in file 663.001.

No. 887

763.0221/9-553: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

TOP SECRET VIENNA, September 5, 1953—4 p.m.

599. Arnold unavailable until Monday [September 7]. His preliminary thinking before British action [2] was that we should devise means of giving British and French additional support to enable them maintain strength here possibly diverting *gendarmérie* support this purpose. This would, of course, have serious adverse effects in Austria and am doubtful whether acceptable to British and French.

Believe we should immediately through diplomatic channels urge Paris take no action pending full consultation to be followed by discussions through both diplomatic and military channels. It seems particularly important that no action be taken before date fixed for Foreign Ministers' meeting. [3]

On instructions Paris, French Chargé consulted me this morning and revealed that French considering suggestion that we both follow British line and put pressure on Soviets for similar reduction. I expressed strongly personal view this worse possible course follow at this time. It would appear to be assisting the Russians in carrying out their present strategy in relieving pressure for state treaty and in enabling Soviets to keep essentials of their position here and by partial withdrawal of few miles to Hungary, they could seriously weaken defense position of West. I urged that if French feel obliged to reduce forces to meet loss occupation costs they do so with no announcement. I pointed to the great expense of our military investment and installations here and the difficulty of reinforcing our troops if we should reduce them. Chargé agreed in part but pointed out fact that French forces now considered insufficient and build-up out of question. Also concerned Austrian public opinion.

When I urged Caccia not to stress relationship their action to Chancellor's speech, he replied they were concerned their action might be considered based solely on loss occupation costs. We be-

---

[1] Repeated to Paris, London, Moscow, and Rome.

[2] Reference to the British decision to reduce the strength of their forces in Austria from three battalions to one, a decision communicated to U.S. officials on Sept. 4. An analysis of this British policy was transmitted to the Department of State in despatch 400 from Vienna, Sept. 11, 1953. (763.0221/9-1153)

[3] For documentation on the exchange of notes with the Soviet Union concerning a possible four-power meeting, see Documents 257 ff.

lieve in fact British have had this more under consideration since British military have never liked situation because of exposed position, poor LOC, and having more troops than required for occupation duties but insufficient for any real defense. This aggravated by current shortage British troops.

General Arnold had planned make announcement new housing construction in Salzburg next week awaiting only confirmation Chancellor our agreement. Believe we should at least proceed to request bids since delay impossible if construction to be started before winter freeze. Will report further after consultation Arnold. [4]

THOMPSON

[4] In telegram 623 from Vienna, Sept. 9, Thompson informed the Department of State of Arnold's concurrence. Arnold noted that the British reduction of force had little effect on the present military capabilities in Austria since their previous plans envisioned only light delaying action and withdrawal into Italy. He hoped that the British could be persuaded to reverse their decision but, if not, U.S. forces should be increased in strength and additional emphasis placed on the Austrian *gendarmérie* program. (763.0221/9–953)

That same day, Thompson also informed the Department in telegram 611 that Raab personally confirmed to him that he saw no reason for any reduction of American forces in Austria. Raab also appeared unconcerned that the French might take similar action and said that he never had any confidence in the combat effectiveness of the French forces in Austria. (763.0221/9–953)

No. 888

763.0221/9–1653

The Secretary of Defense (Wilson) to the Secretary of State

TOP SECRET WASHINGTON, September 16, 1953.

DEAR MR. SECRETARY: Attached is a copy of a letter forwarded today to the President, transmitting to him the views and recommendations of the Joint Chiefs of Staff, dated 11 September 1953, on the subject of United Kingdom and French forces in Austria.

Pursuant to these recommendations, the Department of State is urged to initiate diplomatic measures calculated to secure a reversal by the British and French Governments of their decisions, and to seek from them assurances that matters of NATO concern, or having an important bearing upon NATO, not be taken without prior consultation.

Sincerely yours,

C. E. WILSON

[Enclosure 1]

Memorandum by the Chairman of the Joint Chiefs of Staff (Radford) to the Secretary of Defense (Wilson)

TOP SECRET WASHINGTON, September 11, 1953.

Subject: United Kingdom and French Forces in Austria.

1. General Gruenther has informed the Joint Chiefs of Staff that the British and French Governments, because of the reduction in their respective Austrian occupation budgets, have decided to reduce considerably the strength of their forces in Austria. Such units as remain will be kept for symbolic purposes only and will not be placed under the command of the Supreme Allied Commander Europe for emergency use.

2. The Joint Chiefs of Staff view this matter with utmost and urgent concern. Accordingly, your attention is invited to the possible serious and adverse results of such troop withdrawals upon the U.S. military position in Austria and the North Atlantic Treaty Organization (NATO) and unilateral strategic planning.

a. U.S. forces in Austria would be exposed to encirclement in the event of a sudden attack.

b. A military vacuum would be created thereby endangering the southern flank of Allied Forces Central Europe and the northern flank of Allied Forces Southern Europe.

c. The impact on Yugoslavia would be severe. It would be taken as further indication of a lack of interest in the Yugoslav northern flank, with the consequent result that the Yugoslavs likely would abandon plans for a strong defense in the north.

d. The alteration of Yugoslav defense plans, deemphasizing a defense in the north, would expose Italy to penetration from the east and northeast.

e. The position of the US–UK forces in Trieste would be seriously jeopardized if not rendered untenable within a comparatively short period of time.

f. The period of time of warning of attack would be reduced.

g. Reduction of French and British Forces in Austria to token size places the United States in a difficult position politically as being the sole Western Power retaining its current occupation forces in Austria.

h. Withdrawal of all occupation forces prior to the establishment of an adequate Austrian security force would expose Austria to Soviet inspired civil war, insurrection, subversion or direct Satellite aggression.

i. There would be a distinct adverse psychological reaction throughout this area derived from the belief that the Western Powers were abandoning the defense of small nations for reasons of domestic economy.

3. Aside from the effect upon the U.S. military position in Austria and strategic planning, the British and French action would have decided though unpredictable effect upon the entire NATO concept. It would presumably establish the precedent of sanctioning unilateral withdrawal of troops previously earmarked for NATO, confidence would be undermined, and other nations already more or less affected by neutralist leanings could be expected to seize upon this action as an excuse to reduce their own commitments and efforts.

4. The Joint Chiefs of Staff consider that the United States Government should take up this matter with the British and French Governments without delay.

5. The Joint Chiefs of Staff recommend that you transmit this memorandum to the President for his information, as a matter of urgency, and that a copy be sent concurrently to the Secretary of State informing him of your action and requesting that he approach the United Kingdom and French Governments without delay seeking reversal of their decisions, and assurances that the taking of such unilateral, uncoordinated decisions on vital NATO matters will not be repeated.

For the Joint Chiefs of Staff:
ARTHUR RADFORD

[Enclosure 2]

The Secretary of Defense (Wilson) to the President

TOP SECRET WASHINGTON, September 16, 1953.

DEAR MR. PRESIDENT: Attached for your information, pursuant to their recommendation, is a copy of a memorandum by the Joint Chiefs of Staff, dated 11 September 1953, concerning a contemplated reduction in the level of British and French forces in Austria. A copy has also been transmitted to the Secretary of State, with the request that he initiate diplomatic measures calculated to secure a reversal of these decisions by the United Kingdom and France, and to seek from them assurances that matters of NATO concern, or having an important bearing upon NATO, not be taken without prior consultation.

I share the concern of the Joint Chiefs of Staff over the military implications of such unilateral decisions by the United Kingdom and France. Moreover, under present world conditions, the maintenance of a firm understanding and area of consultation with these

major Allies on all matters affecting our common defense would appear to be as important as our joint partnership in NATO itself.

With great respect, I am
Faithfully yours, C. E. WILSON

No. 889

PPS files, lot 64 D 563, "Chronological—1953"

Memorandum by Jacob D. Beam of the Policy Planning Staff to the Acting Director of the Office of Western European Affairs (Knight) [1]

TOP SECRET [WASHINGTON,] September 28, 1953.

Subject: Neutralization of Austria

The following are some further thoughts about Austrian neutralization. It is assumed that we would not particularly care whether Austria gave an undertaking not to join any military alliance, as it would probably be prepared to do in order to obtain a treaty, but that we oppose the incorporation of such an undertaking in a state treaty, because it might serve as a precedent for the German peace treaty and prevent a united Germany from joining EDC, as we presume might be Germany's desire and intent.

It is possible that the Soviet may not insist on a neutralization provision in the Austrian treaty, since from a long-term point of view it would preclude Austria's joining the satellite bloc, which the Russians may still be hopeful could occur under a communist take-over in Austria as a result of a world depression. It will be recalled that the Russian Foreign Office in its discussions with the Austrian Minister in Moscow merely mentioned that an undertaking by Austria not to engage in military alliances would be helpful but that there were several other things, (unspecified) which Russia would wish the Austrians to do.

We would be on sound ground in resisting a neutralization clause in the Austrian treaty, since the commitment would be undertaken only between Austria and the three great powers and would not cover the neighboring satellites. The neutralization of both Switzerland and Belgium was established by agreements between all the interested powers in Europe. Consequently, Austria's neutralization by the state treaty alone could be represented as inadequate, although we might naturally be reluctant to propose the association of Austrian satellite neighbors with the treaty in order to cover this point. It is true that the Soviets might be dissatisfied

[1] Copies also sent to Moore, Morris, Kidd, and Thurston.

with a unilateral undertaking by Austria not to enter military alliances since it would only engage the present Austrian Government. On the other hand this might be as much as they wish at this time, since they may desire to leave open the possibility of a future Austrian Government joining the Soviet bloc. Thought might be given to an arrangement whereby Austria, if it so pleases, could give an undertaking, not within the treaty itself, but of a kind having treaty force. This might possibly be accomplished by an understanding that Austria would make a declaration to that effect in connection with its acceptance of UN membership.

The issue might be faced in a different manner. At present we are favoring a neutralization, plus a mutual guarantee, solution with respect to a united Korea. If we consider the conclusion of an Austrian treaty paramount, we might agree to a modest neutralization provision along the lines of the alternative suggested in our present working papers, [2] even though this would be inadequate in omitting to cover the satellites. When it came to discussing Germany, we would say quite frankly that Germany's neutralization neither fits the facts of history nor the realities of the European situation. On balance, however, it is believed we should resist Austria's neutralization through the state treaty.

[2] Presumably a reference to the working papers being drafted for the proposed four-power talks at Lugano. See Document 905.

No. 890

663.001/10–253: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, October 2, 1953—10 a.m.

844. Suggest that at next meeting with British and French on Austrian treaty we explore possibility our proposing five-power meeting including Austria to dispose of question German assets. Proposal could be advanced not in lieu of treaty but as first step toward it. Believe in such negotiations Austrians could be counted upon to be hard bargainers. Our difficulty in getting them to take strong stand on article 35 stems not from any tendency to weakness in negotiations but from their intense desire for treaty and end of occupation. (Raab informed me last week that preliminary survey indicated USIA assets much less valuable than they had

[1] Repeated to London, Paris, and Moscow.

supposed. We are pressing Austrians to make as detailed survey these properties as possible.)

Appears clear no real progress on Austrian treaty can be expected in absence progress on German settlement. We should, however, take every possible advantage of Soviet effort maintain "new look" and there is little more that we can press for locally in Allied Council other than possibly revision of Control Agreement. I see considerable advantage to Austria if agreement could be reached on German assets now by spreading economic shock which will be involved when treaty is concluded. By making readjustment to absorption USIA plants and, if possible, oil properties now in period of relative prosperity and when some United States assistance might be available if proved necessary, subsequent readustment of budget upon conclusion of treaty to allow for loss USFA expenditures and cost armed forces would be easier. Getting Soviets out of Austrian plants should have effect of further weakening Commie Party and strengthening internal security. In general would envisage turnover of oil properties against commitment specified oil deliveries and purchase USIA and DDSG in dollar payments spread over say ten-year period. Although payment in goods advantageous to Austrians, would involve complications Battle Act, et cetera.

Advantage five-power talks over Austro-Soviet negotiations include fact that settlement could be made final without dependence on treaty, and that in view western position re German assets we would be able to expose harshness Soviet demands. I also believe bilateral agreement likely place greater strain on coalition and weaken position Austrian Government. To avoid charge we are attempting gambit to keep our troops in Austria might be advisable for suggestion for meeting come from Austrians. Have not discussed matter with Austrians who may oppose it but suggest it worth exploring with French and British. [2]

THOMPSON

[2] In telegram 1088 to Vienna, Oct. 8, the Department of State noted that it welcomed the proposal contained in telegram 844 but believed that all efforts should instead be directed toward the conclusion of the treaty at Lugano. (663.001/10–253) The plan for a four-power conference of Foreign Ministers at Lugano proposed for Oct. 15 was never realized.

No. 891

763.0221/9-1653

The Secretary of State to the Secretary of Defense (Wilson) [1]

TOP SECRET [WASHINGTON,] October 3, 1953.

DEAR MR. SECRETARY: As you requested in your letter of September 16, [2] I have discussed with the British and French Ambassadors the problem of withdrawal of their forces from Austria. Attached is a copy of a memorandum reporting the conversation.

I will, of course, inform you as soon as responses are received from the two governments but, in the meantime, would appreciate your views as to the appropriate military channels in which the discussion that I requested of the British and French might take place.

It is my suggestion that representatives of our two Departments discuss the situation in which the United States will find itself in Austria should, as I expect, the British and French maintain their decisions to reduce their forces to symbolic strength.

Sincerely yours,

JOHN FOSTER DULLES

[Attachment]

Memorandum by Richard B. Freund of the Office of Western European Affairs

TOP SECRET [WASHINGTON, October 1, 1953.]

Subject: Discussions between the Secretary of State and the British and French Ambassadors in regard to the United Kingdom and French Forces in Austria. [3]

In accordance with Mr. Cutler's memorandum to Secretary Dulles of September 21, [4] containing the views of the President,

---

[1] Drafted by Freund on Oct. 1.

[2] Document 888.

[3] The memorandum of this conversation between Secretary Dulles, British Ambassador Makins, French Ambassador Bonnet, and Bonbright, on which Freund's memorandum is presumably based, is in Secretary's Memoranda of Conversation, lot 64 D 199, "September 1953". A summary of this meeting was transmitted to Paris in telegram 1222 of Sept. 30, repeated to London and Vienna. (763.0221/9-3053)

[4] This memorandum briefly noted that President Eisenhower thought the Department of State should take this matter up promptly with the French and British. The President emphasized the importance of the unilaterality of the action and the political and psychological aspects that it entailed. (763.0221/9-2153) A copy of the

Continued

and Secretary Wilson's letter of September 16 regarding the withdrawal of French and U.K. forces from Austria, Secretary Dulles discussed the problem with the British and French Ambassadors on September 29. In expressing the concern felt by the United States Government over the unilateral decisions that had been made by the other two Governments, Secretary Dulles

(a) stressed the breach in the principle of prior consultation, not only in this case where it would clearly have been desirable but for the future, pointing out that there are, however, no hard and fast rules in our view with regard to such consultations;
(b) pointed out the exposed position in which the U.S. forces in Austria would be left;
(c) expressed regret that the decisions had been taken without consideration for the effect on SACEUR's plans; and
(d) asked the two Ambassadors to communicate to their Governments his request that their decisions not be considered definitive until there had been an opportunity for discussion between our respective military representatives.

Neither Ambassador endeavored to argue that prior consultation was not called for, although Sir Roger Makins did say that his Government had, on several occasions, indicated that they were contemplating a reduction of forces in Austria. Ambassador Bonnet merely remarked that the French forces, to be withdrawn from Austria, would be needed to help train cadres in Germany and France as a result of the sending of additional French battalions to Indo-China. Both Ambassadors commented that the forces would remain available to SACEUR, but Secretary Dulles pointed out that SACEUR was entitled to consultation concerning the location of forces which were included in his defense plans.

---

memorandum printed here was sent to Cutler on Oct. 1 as a response to his memorandum of Sept. 21. (763.0221/9-1653)

No. 892

396.1 PA/10-553: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET VIENNA, October 5, 1953—1 p.m.

866. Gruber and Raab informed me that they were satisfied with results Paris visit, although I believe they were disappointed not to obtain firm French commitment for reduction of forces which

---

[1] Repeated to London, Paris, and Moscow.

would have been useful in forthcoming elections in Tyrol. Raab said French felt withdrawal their forces would "leave a hole." [2] I said we also had some concern about this. Raab replied that French could keep 10 battalions in Austria without difficulty if they would put them in barracks which are available and give up the housing which causes so much political difficulty. Gruber earlier informed me French contemplate keeping about 400 men in Vienna and 1 battalion in Tyrol.

Gruber said there was some discussion, apparently inconclusive, of problems raised for Austria by steel and coal community. Gruber said his personal view was that Austria should endeavor conclude agreement with each member government giving Austria benefits of plan while secretly undertaking to carry out the responsibilities and duties involved. [3]

THOMPSON

---

[2] According to a memorandum by W. K. Scott, dated Oct. 2, General Gruenther had just been officially informed that French forces in Austria would be withdrawn shortly and stationed in Germany. (763.0221/10-253)

[3] A handwritten notation by Hugh G. Appling at this point on the source text reads as follows: "Don't we sometime have to think a little more specifically about how Austria is to fit into the new Western Eur. economy? HA".

No. 893

663.001/10-853: Despatch

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

SECRET AIR PRIORITY VIENNA, October 8, 1953.
No. 543

Subject: Austrian Policy With Respect to the Austrian State Treaty

The Department's telegram No. 1070 of October 7, 1953 [2] suggests that the Embassy's reporting may have been misleading with respect to the attitude and motivation of Foreign Minister Gruber in connection with the negotiations for the Austrian State Treaty.

The purpose of this despatch is to attempt to evaluate Mr. Gruber's policies and place them in proper perspective. While the Department is aware from our long experience in dealing with the Austrian Foreign Minister that he has certain personal character-

---

[1] Distributed by the Department of State to London, Paris, and Moscow.

[2] Telegram 1070 stated that the Soviet suggestion that Austria be discussed through diplomatic channels was a tactic of obstruction and delay and urged that every effort be made to deter Gruber from "further dancing to Soviet tune." (663.001/10-553)

istics, including a somewhat cynical concept of integrity in the conduct of foreign relations and a tendency to the use of questionable tactics, it is nevertheless true that Mr. Gruber's basic policies are those of both parties in the Austrian Government coalition. Both political parties are desperately anxious to conclude the State Treaty and end the occupation of Austria. Both are willing to pay almost any economic price and would probably go far in making political concessions if they were certain this would achieve the desired result. The Socialists probably have a more realistic appraisal of Soviet methods and objectives and are far less inclined than Minister Gruber to engage in maneuvers which have little prospect of success. Mr. Gruber's position as Foreign Minister makes it understandable that he should feel obliged to prevent any feeling from arising in the minds of the Austrian public that failure to achieve a treaty is due to any negligence or lack of effort on the part of the Austrian Government.

Our recent difficulties and differences with the Austrian Foreign Minister arise largely out of this preoccupation on his part with public opinion in Austria. He has informed me many times that he does not consider that there is more than a faint chance of concluding the treaty at this time and that his policies are guided chiefly by propaganda considerations. He professes to be concerned that if the Austrian Government does not make crystal clear that failure to conclude a treaty lies with the Soviet Government, the continuation of the current Soviet soft line in Austria will eventually have serious political effects. I do not wish to minimize the effects which Mr. Gruber's maneuvers have had in weakening our negotiating position on Article 35, but repeat that on the basic issues involved he has the support of the Austrian Government.

I am also aware that some of the maneuvers of the Foreign Minister are not without danger, such as his approach to the Soviet Government through the Indian Government and his urging of the Chancellor to visit Moscow. Nevertheless, I believe we would do Mr. Gruber an injustice if we attribute these moves to any lack of determination on his part to keep Austria aligned with the West and to oppose the basic objectives of Soviet policy. I am convinced that he is well aware that nothing will satisfy Moscow short of a Communist government in Austria and the danger to our interests lies in his belief that he can out-smart and out-maneuver the Soviets. I believe, however, these risks have been lessened by the appointment of Mr. Kreisky as his deputy, which has done much to ensure that major moves in the field of foreign affairs cannot be taken without the knowledge of both of the major political parties. The three Western High Commissioners have in addition adopted the practice of discussing questions of foreign affairs with promi-

nent members of both parties. I at least, however, have been careful not to furnish material for Mr. Gruber's enemies, who are numerous in both parties, as I am convinced, as are my French and British colleagues, that it is to our interest that Mr. Gruber remain as Foreign Minister. He has a much wider knowledge and understanding of the outside world than any potential candidate for his position and, while not minimizing the risks of ill-considered moves on his part, I believe that the Chancellor and Vice-Chancellor can be counted upon to keep him in line.

I do have a number of serious preoccupations about the course of Austrian foreign policies. I believe, however, that many of these policies are not personal policies of Minister Gruber but are in many cases formulated under the initiative of the Chancellor. Most of Raab's policies can be understood on the basis of the hypotheses, which I believe to be well founded, that he is convinced that an Austrian State Treaty is unlikely and that Austria's best course is to attempt to obtain as many as possible of the advantages of a treaty in the interim. It is well known that the Chancellor is particularly sensitive to the situation in Lower Austria where the burden of occupation is particularly onerous.

The greatest uncertainty so far as the State Treaty is concerned is the extent to which Austria might be willing to go in the direction of neutrality if it became clear that this was the only step preventing the conclusion of the treaty. Recent pronouncements of the Chancellor, as well as the Foreign Minister, have indicated a considerable stiffening of the Austrian attitude in this regard.

Another cause of concern is the attitude of the Austrian Government toward the withdrawal or reduction of foreign troops in Austria. There seems to be no question but that the Austrians would welcome a Soviet move to reduce their forces to a token occupation even though this were conditioned on similar action on the part of the United States. They recognize the greater ease with which the Soviets could later reenforce their troops, but would be willing to pay the price of this risk in order to get the Russians out. We can certainly expect pressure on both ourselves and the Soviets to reduce our troop strength in Austria. While it is unlikely that the Soviets will agree we should be prepared for such a contingency. In any event I am convinced that our greatest problem so far as the military occupation is concerned is that of housing and that if we are not to encounter serious difficulties with the Austrians we must move rapidly to a situation where we can give up all requisitioned private housing in Austria.

A third problem is that of the Austrian attitude toward our East-West trade controls. I am convinced that in formulating his overall policies Raab is already being influenced by this problem. He is

under constant pressure from the Austrian industrialists, which group forms one of the principal supports of his party. He is doubtless looking forward with concern to the time when Austrian exports to Western markets meet increasing competition. Our new policy on East-West trade, if implemented promptly, will be of considerable assistance but I am doubtful if it goes far enough to remove entirely the feeling in Austria that they must eventually get in a position which will allow them greater freedom to exploit their natural markets. Sooner or later a visit of Raab to Moscow is likely and one of his most important objectives in any negotiations is likely to be an attempt to develop substantial trade with the Soviet bloc.

There is no doubt that Austria will in the future engage in a more active foreign policy under Raab's leadership, and I believe it will be greatly to our advantage to encourage him to visit the United States, not later than spring of 1954, in order that he may obtain a better understanding of the United States.

So far as internal affairs are concerned the coalition appears to be more stable than ever and many leading Socialists have grudgingly expressed to me their admiration for Raab's ability. On the other hand, it must always be remembered that circumstances could again arise in which Raab might consider it to his interest to attempt a coalition with the VDU although there is nothing to suggest this at the present time.

LLEWELLYN E. THOMPSON, JR.

No. 894

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 166th Meeting of the National Security Council, Tuesday, October 13, 1953 [1]

TOP SECRET EYES ONLY

Present at the 166th meeting of the Council were: The President of the United States, presiding; the Secretary of State; the Secretary of Defense; the Director, Foreign Operations Administration; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General (for Item 3); the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission (for Item 3); the Secretaries of the Navy and the Air Force (for Item 3); the Deputy Secretary of Defense, Assistant Sec-

[1] Drafted on Oct. 14.

retary of Defense McNeil, and Francis J. McCarthy, of the Atomic Energy Commission (for Item 3); the Chairman, Joint Chiefs of Staff; General Ridgway, Admiral Carney, General Twining, and Lt. Gen. Thomas, USMC (for Item 3); the Director of Central Intelligence; the Assistant to the President (for Item 3); the Deputy Assistant to the President; Robert Cutler, Special Assistant to the President; James C. Hagerty, Secretary to the President (for Item 3); Brig. Gen. Paul T. Carroll, Acting White House Staff Secretary; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the chief points taken.

[Here follows discussion of items 1–4, the concept of the National Security Council and its advisory and subordinate groups, significant world developments affecting United States security, fiscal year 1955 budget considerations, and United States policy toward Germany. Following the discussion of these agenda items, the President, the Attorney General, and the Chairman of the Atomic Energy Commission left the meeting.]

5. U.S. Objectives and Policies With Respect to Austria (NSC 164; [2] Memo for NSC from Executive Secretary, same subject, dated October 12, 1953 [3])

In presenting the background of NSC 164, Mr. Cutler called attention to the principal differences between the Departments of State and Defense with regard to U.S. policy on Austria. The first of these, in paragraph 16–d, related to the degree of neutralization of Austria which would be acceptable to the United States. The second concerned the wisdom of accepting Article 35 of the long draft treaty concerning Soviet assets in Austria.

Secretary Dulles stated that it was his view that while we should of course oppose the neutralization of Austria just as far as possible in any negotiations, the decision in the long run would depend on the Austrians themselves. If, in order to induce the Russians to get out of Austria, the Austrian Government refused to align itself with NATO, there was very little, said Secretary Dulles, that the United States could do about it, even though we should refuse to sign the treaty. We can, of course, explain our position to the Austrians, but we could not impose our will upon them, nor could we carry the British and French along if they agreed with the Austri-

---

[2] Not printed, but see the amendments under paragraph b. below and NSC 164/1, *infra*.

[3] Not printed. This was the covering memorandum attached to NSC 164 indicating that it would be considered by the Council at its meeting on Oct. 13. (S/S–NSC files, lot 63 D 351, NSC 164 Series)

an viewpoint. In any case, an embittered Austria would never prove a reliable ally of the United States.

In response, Admiral Radford said that the Joint Chiefs realized the validity of Secretary Dulles' points, but they insisted that a neutralized Austria would greatly weaken us in Europe.

Secretary Dulles then proposed certain changes in the language of paragraph 16 which he thought might make this statement less objectionable to the Joint Chiefs. Mr. Cutler suggested further revisions in order to achieve agreement.

Admiral Radford stated, however, that these changes were not sufficient to meet the anxiety of the Joint Chiefs about the proposal ultimately to accept a neutralized Austria.

Secretary Dulles replied that while he recognized the force of the statement in the JCS comment which Admiral Radford had read, it remained true that Austria was in the last analysis master of its own destiny. We had never had any legal control over the Austrian Government, and since our economic aid was about to be terminated, we would shortly be unable to use that as a means of influencing the Austrian Government.

Admiral Radford said that he was not only concerned about a neutralized Austria, but even more worried that we might face a similar situation in Germany itself. A neutralized Germany would be much more serious.

Secretary Dulles replied that indeed it would, but that in Germany, at least, we still had a measure of sovereignty and certain legal controls. Accordingly, Germany was easier to manage than Austria. To sum up his position, Secretary Dulles said that the State Department simply did not wish us to get into a situation where we are opposing something that is inevitable.

Admiral Radford recommended that the Joint Chiefs of Staff undertake a study of the results if the inevitable happened.

Governor Stassen observed that to his mind the status of neutralization did not necessarily imply disarmament. What we want to avoid above all else, especially in Germany, is the combination of neutralization with disarmament. It was for this reason that he has been so anxious to see the German units come into existence.

After the Council had agreed to accept the views of the Secretary of State on the neutralization issue, Mr. Cutler turned to the question of Article 35, and pointed out that on this issue, likewise, the Joint Chiefs were very concerned.

After Secretary Dulles had explained the content of Article 35, Admiral Radford read the comments of the JCS on this issue, pointing out that the matter was so serious that we should all take a stand on insisting that the article be eliminated or revised. Even

the Austrians, he thought, should be willing to take a stand on this.

Secretary Dulles corrected Admiral Radford, and explained that the Austrians were already engaged in under-the-table conversations with the Russians which would accept the latters' position on Article 35. As in the case of the neutralization problem, Secretary Dulles said that we could not let this one stand in the way of final agreement on an Austrian treaty, though here too he was prepared to fight to the last ditch for revision of the article.

Mr. Cutler pointed out the previous Council decision in favor of the point of view taken by Secretary Dulles, who thereafter recommended that the Council now adhere to its previous decision.

Governor Stassen said that what he was most afraid of was complete Soviet control of Austria if (1) Austria were disarmed, and (2) if Austria were put at the economic mercy of the USSR by virtue of accepting Article 35 of the long draft treaty.

Expressing agreement with Governor Stassen, Admiral Radford insisted that Austria would not in fact be really neutralized if the Soviets secured the rights accorded them under Article 35. This would enable them to stay in Austria and ultimately to subvert it.

Secretary Dulles answered that although they have much greater power now than they would after a treaty, the Soviets had not yet succeeded in subverting Austria. Indeed, there was no country in the world with less indigenous Communist strength. The issue with respect to Article 35, he continued, was much the same as the neutralization issue. We would end by making an enemy of Austria if we insisted on revising Article 35 and thus prevented the achievement of a treaty. Communist influence would certainly then increase in Austria, and it would be best for the Council to reiterate its previous stand.

Admiral Radford then said that the Joint Chiefs would reappraise the effect of accepting Article 35, and would bring before the Council any significant conclusions they reached.

The discussion then turned to various other suggested revisions of the paper by the Joint Chiefs of Staff, and agreement was reached on each of these points.

Mr. Cutler also called the attention of the Council to the Financial Appendix, and pointed out that the estimated costs therein would increase if we transferred our forces now in Trieste to Austria.

General Ridgway commented that the Joint Chiefs were now in the process of examining the courses of military action open to us in Trieste, but were not yet ready to state what they were.

The National Security Council:

a. Discussed the reference report on the subject in the light of the views of the Joint Chiefs of Staff contained in the enclosure to the reference memorandum.

b. Adopted the statement of policy contained in NSC 164, subject to the following amendments:

(1) *Page 9, paragraph 16-d, first sentence*: Delete "particularly as a possible precedent for a German settlement."

Third sentence: Revise to read as follows: "Nevertheless, the United States should refuse to sign a treaty which would preclude Austria's association with the economic community of Western Europe, which would prejudice Austria's capacity to preserve internal order, or which would restrict the Western Powers in giving aid to Austria in the establishment of adequate internal security forces."

(2) *Page 13, paragraph 17-h*: Delete the word "interim".

(3) *Page 13, paragraph 19*: In the first sentence, change the word "concerning" to "supporting"; delete the second sentence.

(4) *Page 13*: Add a new paragraph 20 to read as follows: "20. Seek to obtain, in addition to the tripartite declaration, an Austrian commitment to raise and maintain forces adequate for the internal security and integrity of the Austrian state and the acceptance of Western assistance in the formation of these forces."

. . . . . .

(6) *Page 14, Annex to NSC 164, subparagraph a*: Delete the words "under the command of the Commanding General of the United States Forces".

(7) *Page 15, Annex to NSC 164, paragraph h*: Delete the first, second and fourth sentences and, in the last sentence, change the word "You" to "U.S. authorities".

c. Noted that the Joint Chiefs of Staff would study the military implications of the degree of neutralization of Austria which might ultimately be accepted by the United States under paragraph 16-d of NSC 164, and would report back to the Council if, in their opinion, reconsideration of this subparagraph was necessary. [4]

Note: NSC 164 as amended, and approved by the President, subquently issued as NSC 164/1 and referred to OCB as the coordinating agency. The action in c above subsequently transmitted to the Secretary of Defense for reference to the Joint Chiefs of Staff.

[Here follows a notation indicating that the Council noted the proposed amendment of Executive Order 10450 submitted by the Attorney General.]

[4] See Document 904.

No. 895

S/S–NSC files, lot 63 D 351, NSC 164 Series

Statement of Policy by the National Security Council [1]

TOP SECRET
NSC 164/1

WASHINGTON, October 14, 1953.

U.S. OBJECTIVES AND POLICIES WITH RESPECT TO AUSTRIA

GENERAL CONSIDERATIONS

1. Austria derives its strategic importance from its pivotal position controlling important approaches to Western Europe and the Danubian gateway to the satellites. It has world-wide psychological importance as a symbol of resistance to Soviet subversion. In view of extensive Western support of Austria in this struggle, its capitulation to the Soviets would be a dangerous defeat for the free world. Moreover, a weakening of Austria's internal political and economic stability which would augment Soviet potential for infiltration and subversion would constitute a serious setback for U.S. security and political objectives.

2. Refusal of the USSR to conclude an Austrian Treaty during the course of 374 Four-Power meetings since 1946 has prolonged

---

[1] Attached to the source text was a covering memorandum by the Executive Secretary of the National Security Council, James S. Lay, Jr., to the members of the Council informing them that the President had approved the statement of policy on Oct. 14. It also noted that NSC 38/4, NSC 38/6, and NSC 63/1 were hereby superseded. A 14-page NSC Staff Study was also appended to the source text, as well as a table of contents, neither printed.

The first identifiable draft of this NSC paper was prepared by Peter Rutter of the Office of Western European Affairs and circulated to various offices of the Department of State as well as other agencies for their comments in July 1953. Once these comments had been received and the early draft revised, it was forwarded to the NSC Planning Board for consideration. After review by the Planning Board, the paper was circulated to members of the NSC as NSC 164 and placed on the agenda for the Council's Oct. 13 meeting. A copy of Rutter's early undated draft is in S/S–NSC files, lot 63 D 351, NSC 38 Series; a copy of NSC 164 is in S/S–NSC files, lot 63 D 351, NSC 164 Series.

For the comments by the various interested offices and agencies regarding Rutter's early draft of this NSC paper, see the following: Office of Eastern European Affairs—memorandum by Walter J. Stoessel, Jr., July 20 (763.00/7–2053); Office of Economic Defense and Trade Policy—memorandum by Raymond Vernon, July 21 (763.00/7–2153); Office of the Assistant Legal Adviser for German Affairs—memorandum by Hans A. Land, July 23 (763.00/7–2353); Policy Planning Staff—memorandum by Leon W. Fuller, July 23 (763.00/7–2353); Office of German Political Affairs—memorandum by Coburn Kidd, July 23 (763.00/7–2353); Office of British Commonwealth and Northern European Affairs—memorandum by William L. Hamilton, July 23 (763.00/7–2353); Office of the Assistant Secretary of Defense—memorandum by Col. William M. Connor, July 24 (763.00/7–2453); Central Intelligence Agency—memorandum by William P. Bundy, July 24 (763.00/7–2453); and the Embassy in Vienna—letters by Thompson, Aug. 6 and Sept. 3 (763.00/8–653 and /9–353).

the occupation and preserved Soviet opportunities to subvert democratic Austria. By the end of 1949, Four-Power agreement had been reached on all but five articles of the long draft treaty. Since then the Soviets have shown no willingness to conclude an Austrian settlement, even on terms so favorable to them as the long-draft treaty, and have demanded withdrawal of the Western proposal of March 1952 for an abbreviated treaty. Despite British, French and Austrian willingness to withdraw support of the abbreviated treaty, and our readiness at their insistence to do likewise on the understanding that a treaty will be completed which is tolerable to Austria, no progress has been made.

3. Additional concessions to the Soviets beyond those already offered in the long draft treaty would seriously prejudice Austria's independence; and indeed revision of Article 35 (German assets) under which the Soviets might maintain a strong extraterritorial position and thereby exercise a substantial economic influence in Austria after a treaty, is highly desirable. It is unlikely, however, that the Soviets would agree to a treaty (1) which did not substantially compensate them in some form for the German assets which they claim under Potsdam or (2) without Four-Power agreement to negotiate on other East-West differences, in particular on Germany.

4. On September 23, 1953 the Austrian Government delivered a note [2] to the Soviets abandoning the short draft treaty, expressing a willingness to accept the long draft without revision of Article 35 (although making a weak plea for alleviation of it) and attempting to obtain from the Soviets a settlement of any further conditions precedent to a treaty. On September 28 the Soviets showed their disinclination to conclude a treaty in refusing the Western invitation to Foreign Ministers discussion. The combination of Austrian anxiety to conclude a treaty and the apparent Soviet view that it has nothing to gain from doing so offers opportunities for Western propaganda aimed at making clear to world opinion the insincerity of the Soviet peace offensive. It also highlights the danger that Austria will continue to give the Soviets opportunity to demand additional concessions in their favor.

5. Should treaty negotiations be resumed, the Soviets may propose Austria's neutralization. In their anxiety for a treaty, the Austrians are probably prepared to accept some form of military neu-

---

[2] The text of the draft Austrian note was transmitted to the Department of State in telegram 627 from Vienna, Sept. 10, and was amended as indicated in telegram 630, Sept. 10. (Both in 663.001/9–1053) The three Western High Commissioners were shown the text of the final note before it was delivered to the Soviet Government. Documentation concerning the drafting and delivery of this Austrian note is in file 663.001.

tralization, provided Austria's economic, and possibly political, association with Western Europe is not precluded. It is improbable that the British and French would long support U.S. efforts to resist such a limited neutralization of Austria.

6. The Soviets have in general adhered to the 1946 Control Agreement by permitting the Austrian Government to exercise the essentials of sovereignty throughout Austria. The Soviets have not exercised the capabilities which they possess to the point of forcing the partition of Austria or preventing Western access to Vienna. They recently have adopted a more conciliatory occupation policy which has encouraged the Austrian Government to act with increasing independence of the West and to seek additional Soviet concessions through bilateral negotiations.

7. Austrian resistance to the Soviet danger and more than one billion dollars of U.S. aid in various forms since 1945 have thus far produced a substantial degree of political and economic stability in Austria. A coalition of the two major parties, now representing 83 percent of the vote, has been in power since 1945 despite strong ideological and historical differences between the parties. Tensions still exist, however, primarily because of coalition disputes on economic questions. The coalition has generally supported Western objectives in Austria.

8. In view of the marked improvement in economic conditions, there now appears to be little economic justification for additional U.S. economic aid to Austria in the foreseeable future. However, maintenance of economic stability in Austria will depend, in the long run, upon such factors as: Austria's vulnerability to Soviet pressure, the maintenance of favorable foreign trade conditions, long-term reform of the Austrian economy, and Austria's ability to meet the demands of Article 35 if adopted. Moreover, it is of great political as well as economic importance that Austria avoid excessive dependence on trade with the Soviet bloc. In view of uncertainty regarding these factors, there may be a need for future resumption of economic aid.

9. The maintenance of adequate Austrian internal security involves the following concurrent and interdependent problems:

a. *Internal Security Prior to a Treaty.* Barring Soviet interference or an internal crisis which might substantially increase Communist strength, present Austrian internal security forces totalling 34,000 men, . . . are probably adequate to maintain order in view of the overwhelmingly pro-Western orientation of the people and the presence of Western military contingents in Austria at least at their present strengths. However, substantial reductions in Western military contingents would require substantial increases in the Austrian *gendarmérie.*

b. *Establishment of Austrian Armed Forces Adequate to Maintain Internal Security After a Treaty.* . . . the Austrian Government cannot, under the terms of the Agreement on Control Machinery in Austria (June 28, 1946) openly take effective action toward the creation of armed forces prior to ratification of a treaty authorizing such action. The long draft treaty authorizes a maximum force of 58,000. Austria would require in the post-Treaty period following withdrawal of occupation forces, an initial minimum armed force of 28,000* immediately available to suppress Communist attempts to subvert the Government. . . . it is estimated that the Austrian Government could assemble about 15,000 lightly armed and partially trained men by the end of the 90-day period following ratification of the Treaty, the period specified in the Treaty for the withdrawal of all occupation forces. The Austrian Government may, therefore, be faced with a critical situation in this early post-Treaty period.

. . . . . .

11. Unilateral decisions have been made by the British and French to reduce their troop strength in Austria by the end of the year. Steps are being taken on both diplomatic and military levels to postpone implementation of the British and French decisions.

12. A similar partial Soviet withdrawal is not impossible and the Soviets could conceivably propose the withdrawal of all occupation forces prior to conclusion of a treaty with the intent of handicapping Western defense plans and detaching Austria from the West. For them withdrawal would be only a small sacrifice since their garrison would remain in the same command by moving a few miles east into Hungary, leaving behind Soviet administrative personnel to operate the oil fields and other enterprises controlled by them. Withdrawal of Western forces, particularly U.S., would be highly disadvantageous so long as formation of Austrian security forces was not complete, and Austria's jurisdiction over ex-German assets (oil, Danube shipping, et cetera) was not recognized.

OBJECTIVES

13. To sustain Austria's resistance to communism and foster Austria's further orientation to the West, and in any event to prevent the incorporation of Austria into the Soviet bloc.

14. To re-establish Austria's full political and economic independence by conclusion of an equitable four-power treaty and to increase Austrian political, social and economic stability and authority both before and after a treaty.

---

*This is in addition to the regular *gendarmérie*, border customs guards, and police as currently organized. [Footnote in the source text.]

15. To obtain the maximum Austrian contribution to its own defense and Austrian cooperation with the West against aggression by the Soviet bloc.

COURSES OF ACTION

16. The United States position on the Austrian Treaty should be based on the following:

a. Continue efforts to conclude a four-power treaty providing for the re-establishment of Austria's freedom and independence.

b. Seize upon continued Soviet unwillingness to discuss an Austrian Treaty in conference or refusal in a conference to accept Western minimum terms as a basis for propaganda that makes clear to world opinion the insincerity of the Soviet peace offensive.

c. In concert with the British and French, seek to discourage the Austrian Government from carrying on such bilateral negotiations with the Soviets as might unfavorably affect the Treaty or Austria's relations with Western Europe.

d. Vigorously resist the neutralization of Austria as contrary to the U.S. interest. However, should the Austrians, British and French press strongly for accepting some degree of neutralization, the United States may be required to make some concession to avoid the onus of unilaterally blocking a Treaty. Nevertheless the United States should refuse to sign a Treaty which would preclude Austria's association with the economic community of Western Europe, which would prejudice Austria's capacity to preserve internal order, or which would restrict the Western Powers in giving aid to Austria in the establishment of adequate internal security forces.[3] . . .

e. Seek to obtain a Treaty on terms less onerous than those contained in the long draft, particularly in Article 35 under which the Soviets would retain control over properties held or claimed by them as German assets. Only as a last resort and only if no more favorable basis of settlement seems possible, should the long-draft Treaty, including the Soviet versions of the five unagreed articles and Article 35 as agreed by the Deputies in 1949, be accepted.

17. In the absence of a Treaty:

a. Continue efforts to induce the Soviets to alleviate the burdens and pressures on Austria with a view to extending the authority and jurisdiction of the Austrian Government and to assure that the Soviets respect the rights of the other occupying powers as established in existing agreements.

---

[3] Paragraph 16–d in NSC 164 reads as follows: "Vigorously resist the neutralization of Austria as contrary to the U.S. interest, particularly as a possible precedent for a German settlement. However, should the Austrians, British and French press strongly for accepting some degree of neutralization, the United States may be required to make some concession to avoid the onus of unilaterally blocking a Treaty. Nevertheless the United States should refuse to sign a Treaty which would preclude Austria's association with the economic community of Western Europe or which would prejudice Austria's capacity to preserve internal order." (S/S–NSC files, lot 63 D 351, NSC 164 Series)

b. Encourage elimination of the complex of restrictive and monopolistic devices which restrain Austria's production and keep prices unnecessarily high.

c. Continue, in cooperation with other friendly countries, to work for the reduction of barriers to Austria's international trade with the free countries, thereby, in particular, reducing the relative importance of Austria's traditional dependence on substantial trade in areas within the Soviet bloc. At the same time, give appropriate recognition within the framework of NSC 152/2, [4] to Austria's special requirements for non-strategic trade with the Soviet bloc.

d. Recognize that, while additional economic aid to Austria is not required at this time, it may be necessary to make limited U.S. or other resources available to Austria, should the need therefor arise, in view of the set-back to U.S. security and political objectives in Austria that would arise from a critical deterioration of the economic situation.

e. Make decisions regarding any proposal for four-power withdrawal of troops from Austria prior to a Treaty dependent upon all pertinent factors and conditions at the time such a proposal is made. Consideration should be given, in this connection, to seeking (a) Four-power agreement for expansion of Austria's security forces and (b) Soviet agreement to reduce its jurisdiction over economic enterprises in Austria now controlled by them as alleged German assets.

f. In cooperation with the British and French, make every effort to forestall by appropriate means unilateral Soviet action designed to bring about a Western withdrawal from Vienna or a partition of Austria.

g. In the event of the illegal Soviet use of armed force, the decision whether to attempt to localize counteraction or to treat the matter as initiating a general war should be taken in the light of circumstances existing at the time.

h. In the event of a blockade of Vienna, the U.S. authorities in Austria should be guided by the directive set forth in the Annex hereto, as approved February 17, 1950.

18. In cooperation with the British, French and Austrian Governments, and bearing in mind the desirability that the following military activities not provide justification for Soviet retaliation detrimental to United States interests, take such measures as may be appropriate to:

a. Insure that Austrian internal security forces are reasonably adequate in the pre-Treaty period taking into account security requirements and possible changes in the strength of occupation forces.

b. Insure, prior to the withdrawal of occupation forces, that Austrian armed forces are reasonably adequate to maintain internal security in the post-Treaty period. This includes continuation of the existing program to provide essential equipment for an initial Aus-

---

[4] For text of NSC 152/2, "Economic Defense," July 31, 1953, see vol. I, Part 2, p. 1009.

trian army of 28,000 in the period immediately following a Treaty, and planning for the creation as rapidly as possible of the forces authorized in Article 17 of the long draft Treaty.

. . . . . .

d. Seek the retention of Western garrisons in Austria, at least at their present strength in the absence of four-power agreement for troop withdrawal, and consider such forces in defense plans relating to Southern Europe.

. . . . . .

19. Seek to persuade the British and French Governments of the desirability of a tripartite declaration supporting Austria's political and territorial integrity, to be issued at the time of the withdrawal of troops from Austria. [5]

20. Seek to obtain, in addition to the tripartite declaration, an Austrian commitment to raise and maintain forces adequate for the internal security and integrity of the Austrian state and the acceptance of Western assistance in the formation of these forces.

. . . . . .

Annex

U.S. POLICY IN THE EVENT OF A BLOCKADE OF VIENNA ISSUED TO THE COMMANDING GENERAL, U.S. FORCES IN AUSTRIA

a. All United States personnel in Austria should act with utmost correctness in order to give no pretext to the USSR for imposing a blockade;

b. The United States authorities should make full and frequent use of all existing United States rights in the Soviet Zone of Austria in order to detect the earliest possible evidence of imposition of Soviet restrictions, and in order to preclude any possibility of forfeiture of these rights through disuse. Where such rights are not already being regularly used, they should be resumed by steps in order not to excite special comment or attention;

c. United States authorities in Austria should protest vigorously against any Soviet notification or administrative orders limiting, interrupting, or discontinuing United States traffic or other rights;

[5] A second sentence appeared in this paragraph in NSC 164 which reads as follows: "It is desirable that such a declaration be accompanied by an Austrian commitment to raise and maintain forces adequate for the internal security and integrity of the Austrian State, . . ." (S/S–NSC files, lot 63 D 351, NSC 164 Series)

d. Traffic between Vienna and the zones of the western powers in Austria should not be limited, interrupted, or halted on a mere administrative order or notification by the Soviets that movements will not be permitted;

e. Vehicles should continue to attempt to transit the corridor and each airport access road. If definitely confronted by a military road block, elements of the Soviet Army, or other evidence of Soviet determination to use force as necessary, they will stop;

f. The United States authorities in Austria should make no threat of force such as mounting an armed convoy on the highway;

g. Prior to acting along the above lines, the situation should be discussed fully with the British and French military authorities in Austria and implementing action should as far as practicable be coordinated with them; and

h. Caution must be taken in preserving the security of these instructions and no steps should be taken which would lead the Soviet authorities or the Austrian population to believe that we are taking precautionary measures in anticipation of their action, thereby providing a pretext for aggressive or probing measures on their part. U.S. authorities are requested to report immediately any action which might be interpreted as a progressive restriction on our access to Vienna.

Financial Appendix

Costs of U.S. Forces in Austria

U.S. forces in Austria consist of one infantry regiment and one AAA battalion, plus administrative and supporting military personnel. Average U.S. military strength in Austria (almost entirely Army) and annual costs to the Department of Defense are as follows:

Fiscal Year	*Average Strength*	*Total Costs*
1952	13,400	$80 million
1953	14,700	$83 million
1954 (Est.)	14,200	$77 million

The total cost of maintaining U.S. forces in Austria since 1947 has been borne by the United States from dollar appropriations for the Department of Defense. Maintenance of U.S. forces at current levels in Austria after fiscal year 1954 would involve cost of approximately $75 to $80 million per year, including military personnel costs. The withdrawal and redeployment of U.S. forces now in

Austria would not have any significant impact on U.S. defense expenditures, but would deprive Austria of approximately $25 million per year in dollar exchange currently derived from U.S. military expenditures in Austria.

. . . . . .

U.S. Economic Aid Expenditures in Austria

Fiscal Year	*Expenditures*
1948–1949 (15 months)	$216.0 million
1950	161.6 million
1951	113.6 million
1952	148.2 million
1953	60.1 million
1954 (Est.)	25.0 million†

†Estimated on the basis of no additional economic aid appropriations for Austria. [Footnote in the source text.]

No. 896

Editorial Note

In response to a note of September 10 from the Austrian Government to the Governments of the United States, the United Kingdom, France, and the Soviet Union, requesting the views of the four occupying powers concerning Austrian participation in the treaty negotiations, the United States delivered a note to the Austrian Government on October 15. This note indicated that the United States welcomed Austrian participation, but that the question of participation would have to be decided by agreement among the four powers at their next meeting. Similar notes were submitted to the Austrians by the British and French. Documentation concerning this exchange of notes is in file 663.001.

No. 897

763.0221/10-2153: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

TOP SECRET PRIORITY VIENNA, October 21, 1953—11 a.m.

1024. As previously reported see no serious objection augmentation USFA forces by suitable portion TRUST troops [2] provided this done quietly and without public announcement. Loud Communist criticism to be expected and probably move will stimulate Austrian Government request to both Soviets and ourselves to reduce forces. Most serious problem is that of dependents but General Arnold assures me this will be handled without further requisition Austrian housing. Most important that number dependent families moved Austria be held to minimum but no objection movement limited number to Austria prior actual transfer troops.

Am convinced attempt to put American forces in British zone would involve political risks not commensurate with strategic advantages. British reduction was announced as responsive Raab's June speech requesting withdrawal all occupation forces. Move publicly welcomed by Austrian Government and people. Austrian Government subsequently put pressure on French for similar reduction. This move was welcomed throughout Austria. In recent public speech Raab announced intention request similar reductions Soviets and ourselves. Austrians have already made arrangements with British agreement to move gendarmes into barracks being vacated by British and plan similar moves in French zone. Austrian Government's current policy is endeavor attain as many as possible of benefits state treaty in absence any real hope of early conclusion treaty. Convinced proposed move into British zone would arouse bitter opposition Austrian Government with support both political parties and might furnish Soviets opportunity to abrogate control agreement. As indication Austrian thinking Gruber asked me personally few days ago whether we could announce some reduction American troops even if not true in order enable Austrians bring pressure on Russians for reduction. After discussing matter he

---

[1] Repeated to Paris for MacArthur and Reinhardt.

[2] Based on a recommendation by SACEUR through the JCS to the Secretary of Defense, the Department of Defense urgently requested the views of the Department of State concerning the movement of U.S. troops from Trieste to Austria. In telegram 1204 to Vienna, the Department of State requested the Embassy's views on the movement of approximately 4,500 troops to the U.S. Zone in Austria as well as the movement of a maximum of 500 dependent families prior to or at the same time as the relocation of the troops. (763.0221/10-2053)

withdrew suggestion but indicated Austrian Government determined bring about reduction Soviet troops if possible.

So long as current Soviet policies in Austria are continued, only hope I can see of obtaining Austrian tolerance of move would be prior firm proposal on our part to Soviets to reduce to symbolic forces. I do not favor such action, however, because of risk that Soviets would agree and I do not believe even such an offer would do more than soften Austrian opposition stationing our forces in British zone should Soviets refuse.

Even should we decide unilaterally drastically to reduce our forces believe many Austrians would welcome it on ground Russians would eventually be obliged to follow suit. Austrian reasoning is that as long as western powers have any forces in Austria Russians will not dare intervene in western zones and that in event of war or serious threat of war we could quickly reenforce our troops. I have frequently pointed out that in fact withdrawal on our part would be across Atlantic whereas Russians would remain in Hungary but many Austrians seem prepared accept this risk. . . .

Urge every precaution play down augmentation US forces and hold down number of dependent families to absolute minimum. Presume when plans firm we will be authorized inform Austrian Government.

THOMPSON

No. 898

763.5/10-2253

Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Assistant Secretary of State for European Affairs (Merchant) [1]

TOP SECRET [WASHINGTON,] October 22, 1953.

With reference to WE's attached memorandum, [2] I have the uncomfortable feeling that Defense is trying to handle the Austrian military problem on a piecemeal basis and that unless we sit down with them and try to put the pieces together, beginning with fundamental rather than emergency problems, we are headed for a lot of trouble. Here are a few random thoughts.

1. I see no point in piling a lot of additional troops and dependents into Austria when we do not know whether it is our long-term interest to have them there or whether we may not shortly be

---

[1] A copy was sent to Byington.

[2] Not attached to the source text.

asked by the Austrians to reduce rather than to increase the numbers.

2. The above ties in, it seems to me, with the French and British withdrawals. In the light of the vociferous views expressed by General Gruenther and the JCS, I find it inexplicable that they have not answered our letter of October 5 asking Secretary Wilson what channels he suggests for tripartite military talks with the French and British. [3] If as a result of those talks the French and British positions remain unchanged—as I expect—won't the Defense people and Gruenther want to restudy the strategic situation in the area?

3. It is of course essential that we consult the Austrian government before putting more troops or dependents into the country. In spite of Ambassador Thompson's somewhat optimistic telegram, [4] I would anticipate very strong adverse reaction from the Austrian government.

4. The above discussions will take time and it would therefore seem prudent for Defense to seek another interim resting spot for the Trieste dependents until a final decision is made on where the troops are to go. If they could be moved to some spot in Italy this would seem the simplest.

In view of the very real doubts that it will be politically feasible to increase our forces in Austria, I think Defense should be urged to give immediate thought to an alternative location.

---

[3] Presumably a reference to Secretary Dulles' letter to Secretary of Defense Wilson, Document 891.

[4] Reference to telegram 1024 from Vienna, Oct. 21, *supra*.

No. 899

763.0221/10-2753: Telegram

The Secretary of State to the Embassy in Austria [1]

TOP SECRET WASHINGTON, October 27, 1953—10:44 a.m.

1270. Secretary has informed Defense re redeployment US forces from Trieste as follows:

1. While recognizing urgent need move dependents from Trieste, there are serious political difficulties involved in movement to Austria. Transfer military dependents to Austria would provide Soviets with valuable propaganda material at time when we await Soviet

---

[1] Drafted by E. P. Allen and cleared with Knight and Bonbright. Repeated to Rome, Paris, London, Moscow, and USPOLAD in Trieste.

reply our renewed invitation discuss Austrian Treaty Lugano. [2] In addition, housing problem and political impact in Austria are such that even should Defense decide to transfer TRUST forces to Austria Department would strongly recommend against transfer dependents.

2. See no objection in principle to transfer TRUST forces themselves to Austria, although if this were decided Department wishes opportunity ask Amb Vienna inform Austrian Government of plan in advance of execution. Should Austrian official reaction be strongly adverse Department would like opportunity reconsider matter before final decision made.

3. Serious, if not insurmountable, political difficulties can be expected if at a later date Defense recommends further redeployment from US zone to British zone. We prefer postpone consideration that course of action.

4. While we see no reason delay present plans for evacuating dependents and certain stores, concur that target for withdrawal our forces should be postponed to January 1, 1954 as tentative date. It may prove impossible set final date until after Five Power Conference on Trieste has taken place. [3]

DULLES

[2] Reference to the U.S. note to the Soviet Government of Oct. 18 concerning the possibility of a four-power conference at Lugano, Document 279.

[3] The possibility of a five-power conference on Trieste, which was discussed between October and December 1953, was never realized.

No. 900

663.001/10–2853

The Counselor of the Department of State (MacArthur) to Edgar P. Allen of the Office of Western European Affairs [1]

SECRET [WASHINGTON,] October 28, 1953.

DEAR TED: The Austrian Ambassador came in and didn't have very much on his mind. I spoke to him along the lines that you indicated might be useful and he seemed to take it all right. I particularly hit the Article 35 question and told him that important elements in U.S. Congressional and public opinion would find very little incentive to assist Austria if the Austrians seemed only too willing to capitulate across the board to the Soviets, and in particular make concessions which would make the economic viability of

[1] A copy was sent to Bonbright.

Austria in future at best a very dubious business. I said to him that it seemed clear that the Soviets had no intention of concluding an Austrian Treaty and that if in the meantime the Austrians caved in across the board and made every conceivable concession to the Soviets now, they would be in a very difficult spot when the day finally arrived when a treaty was to be concluded. They would have no bargaining power left of any kind at that later date. I said that this applied not only to Article 35 but the question of Austria's neutrality. The rest of the half hour was spent with the Ambassador asking me about the Saar [2] and about Charlie Yost's activities in Paris. [3] With respect to the latter, I assured him that the group in Paris would take no final decisions but was really for an exchange of views. The Ambassador asked me what we would do if the Soviets refused Lugano. I replied that no decision had been taken with respect to our action in such event but after receipt of the Soviet reply, we would obviously reach some conclusions which in due course we would wish to talk to the Austrians about.

DOUG

[2] See Documents 607 ff.

[3] Reference to the Tripartite Working Group which was meeting in Paris in preparation for possible talks with the Soviets; Yost was one of the members of the U.S. Delegation. Regarding this Working Group, see Document 905.

No. 901

763.00/11-553: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

CONFIDENTIAL PRIORITY VIENNA, November 5, 1953.

1188. Gruber came under severe attack November 4 at closed meeting of People's Party presidium for statements considered damaging to party in his forthcoming book *Between Liberation and Freedom—Austria's Special Case* [1] of which excerpts have appeared in two issues of *Die Presse* during last few days.

First excerpt printed November 1 was reasonably noncontroversial self-flattering description of Gruber's part in CFM 1947 negotiations on Austria in Moscow. Second story, November 3, however, covered controversial "Figl–Fischer" negotiations in 1947 on possi-

[1] The German-language edition of Gruber's book appeared in Vienna in October 1953 both in book form and in extracts in the newspaper *Die Presse*. The English-language edition, entitled *Between Liberation and Liberty. Austria in the Post-War World*, was published in London in 1955.

bility of bringing Commies into Austrian Government. This excerpt made it appear that Figl and other OVP leaders were on point of agreement to form coalition with Commies leaving Socialists in opposition when Gruber saved them from their folly by breaking story in press and bringing about popular reaction against this move.

This plus considerable exaggeration of Gruber's lone role in maintaining Austrian Government's anti-Commie pro-Western stand during this period touched off bitter reaction not only by OVP leaders but also Socialists on grounds that such statements by current Cabinet member not only inopportune but possibly breach of Constitution.

Raab, Figl and others charged Gruber at presidium meeting with breach of party discipline and gave him to understand his reputation in party has been damaged almost beyond repair. They nevertheless agreed he should be retained as Foreign Minister provided there are no similar occurrences in future. Party's special five-man "arbitration committee" to consider possible further action Gruber's case plus that of Minister Kolb who has recently brought about public criticism of CVP by action against his popular sektionschef in charge of State operations.

Though further excerpt to appear November 5 and remainder of Gruber's book (to be on sale next week) may cause flurries of criticism, it is not expected to be as provocative as that last published and will probably not result in any further action against Gruber for the moment. This whole controversy, however, has provided ammunition to Gruber's many political enemies who may continue to urge Raab to demand his resignation. Though Raab apparently feels he still needs Gruber as Foreign Minister now and does not wish to make any immediate Cabinet changes, continuation of pressure by anti-Gruberites in People's Party could conceivably weaken this position to point where Raab would ultimately consider Gruber's elimination when he felt more securely established personally in his foreign relations. [2]

THOMPSON

---

[2] Four days later Thompson reported that Vienna was "still buzzing with Gruber affair." In telegram 1228 from Vienna, Nov. 9, he noted that there was talk of Figl as Gruber's successor and indicated that as High Commissioner he was endeavoring to "keep completely clear of whole affair." (763.00/11-953) On Nov. 13 the Embassy was informed that Gruber would resign and that his resignation would be accepted, reported in telegram 1280 from Vienna. (763.13/11-1353) On Nov. 25 Leopold Figl was approved as the new Foreign Minister.

No. 902

663.001/11-653: Telegram

The Secretary of State to the Embassy in Austria [1]

SECRET WASHINGTON, November 26, 1953—1:40 p.m.

1581. 1. In early conversation with new Austrian Foreign Minister would seem opportune to stress Western views Austrian neutralism and, therefore, we concur French proposal (Paris' 1781 [2]). Believe Tripartite position should be developed Vienna now for presentation by High Commissioners (after reference to respective governments) to Raab and Gruber's successor when latter has taken office. London and Paris should advise Foreign Offices our desire coordinate Vienna.

2. In line with Paris Tripartite recommendations, background Department's position set forth in PTS Document 20b and Annexes, [3] Austrian Government should be informed that if neutralization arises in context possible future treaty negotiations we will take position that:

a. no neutralization provision should be in treaty;
b. statements already made by Austrian Government regarding its neutrality are sufficient;
c. even though Soviets insist on further more pertinent declaration neutrality, Austrian Government should not go beyond statement (separate from treaty) that it will join no organization opposed to UN principles.

3. Austrian Government should also be informed our views neutralization outside context treaty negotiations should question arise in connection with Austrian attempt obtain Soviet agreement negotiate either treaty or pre-treaty bilateral arrangements. Views in this context are:

a. Even though we appreciate domestic importance to Austrian Government of making all possible efforts achieve treaty, Austrian Government should not take initiative in making concessions on neutrality when there is no reason believe treaty could be achieved thereby. When Soviets are ready sign treaty they will make their demands known. Concessions now would only lead to further concessions being demanded at decisive time.

---

[1] Drafted by Appling and cleared by Freund and Bonbright. Repeated to London, Paris, and Moscow.

[2] Telegram 1781 noted the recommendation of the French Foreign Ministry that the Austrians be informed of the views of the three Western powers concerning the question of Austrian neutrality. (663.001/11-653)

[3] Reference to the position papers prepared by the Tripartite Working Group in Paris in anticipation of possible talks with the Soviets. Regarding this Working Group, see Document 905.

b. Urge Austrian Government not only avoid premature statements on military neutrality but also avoid prejudicing or restricting its post-treaty economic cooperation with West. HICOMs should also consider possible reference to keeping door open for political association at some future time when European integration further evolved.

4. We believe few general observations about dealings with USSR might be appropriate at time of your conversations with Austrians regarding neutrality. Among those which will occur to you we suggest HICOMs consider:

a. stressing that only answer to Austrian problem is restoration of unrestricted sovereignty by State Treaty and that any bilateral dealing short of this with USSR would, even if limited agreements reached, only delay treaty and might well be achieved at price conditions permanently prejudicing Austrian freedom;
b. acknowledging Austria's inability under occupation to side openly with West but warning that entanglement with East risky and useless;
c. possibly recalling to Austrian Government outcome of efforts their country to negotiate with powerful dictatorship in the 1930's.

5. Appreciate your consideration and comments above procedure and substance. [4]

DULLES

[4] Following a meeting on Dec. 10 with the British and French High Commissioners in Vienna, Thompson reported that Caccia felt that he had been assured categorically by Raab on several occasions that Raab would never take up the question of Austrian neutrality with the Russians without prior consultation with the West and that no commitment of any kind would be made should the Russians raise the subject without prior consultation. For this reason, according to telegram 1501 from Vienna, Dec. 10, Caccia was not willing to join a formal tripartite *démarche* to the Austrians on this subject. (663.001/12–1053) In a meeting with Thompson on Dec. 14, Raab repeated the assurances he had given to Caccia. (Telegram 1537 from Vienna, Dec. 15, 663.001/12–1553)

No. 903

EUR files, lot 59 D 233, EUR subject files

The Secretary of State to the Secretary of Defense (Wilson) [1]

TOP SECRET [WASHINGTON,] December 3, 1953.

MY DEAR MR. SECRETARY: Reference is made to your letter of November 18, 1953, [2] requesting that the British and French be urged

[1] Attached to the source text was a covering memorandum by Bonbright to Secretary Dulles explaining its background and recommending that he sign this letter to Secretary Wilson.

[2] Not printed. (763.0221/11–1853)

to authorize their senior military officers stationed in Washington to enter into military conversations with General J. Lawton Collins on the subject of withdrawal of certain British and French forces from Austria.

Aide-Mémoires were handed to the French Ambassador and to a representative of the British Embassy in separate conversations on November 21, informing them of General Collins' designation and requesting the British and French Governments to designate representatives to participate in talks with General Collins. Copies of the *Aide-Mémoires* and of the memoranda of conversations with the British and French representatives are enclosed for your information. [3] Copies of these same papers were transmitted to General Collins on November 23.

The British Embassy had previously informed the Department by *Aide-Mémoire* dated November 16, a copy of which is enclosed, [4] that the British Government was prepared to discuss the military implications of the withdrawal of British forces and has communicated to us informally on November 30 its Government's willingness to designate its Standing Group representative to participate in military talks with General Collins in Paris. The French expressed their willingness to participate in the talks by note of November 27, translation of which is enclosed. [4] You will note that, while both the British and French are willing to discuss the military consequences of the withdrawals, both Governments have taken the position that the decisions of their Governments to withdraw are firm and not subject to review.

I have no objection to the talks being held in Paris and assume that specific arrangements therefor will be made through military channels.

Sincerely yours,

JOHN FOSTER DULLES

[3] Not printed. Copies of these documents are also in file 763.0221/11-2153.
[4] Not printed.

No. 904

S/S–NSC files, lot 63 D 351, NSC 164 Series

Memorandum by the Chairman of the Joint Chiefs of Staff (Radford) to the Secretary of Defense (Wilson) [1]

TOP SECRET WASHINGTON, December 9, 1953.

Subject: U.S. Objectives and Policies with Respect to Austria—NSC 164/1. [2]

1. Reference is made to your memorandum dated October 27, 1953, [3] subject as above, which requested that the Joint Chiefs of Staff study the military implications of the degree of neutralization of Austria which might ultimately be accepted by the United States under subparagraph 16–d of NSC 164/1, and report whether or not, in their opinion, reconsideration of this subparagraph by the National Security Council is necessary.

2. In his recent comments regarding the withdrawal of British and French forces from Austria, General Gruenther stated that ". . . The proposed withdrawals have a considerable impact on the entire defense concept for Central and Southern Europe in that they expose the southern flank of Central European Forces as well as the North-Western flank of the Southern European Forces. . . . The proposed withdrawal will require additional Italian Forces to defend the passes into Italy, previously assigned to Allied Forces in Austria and some provision must also be made to strengthen the Southern flanks of Allied Forces in Central Europe. I am deeply concerned over the growing tendency to abandon consideration of any defense of Austria in war, and the consequent impact on the allied position in Europe."

3. If there were to be imposed upon Austria a degree of neutralization which would prevent the replacement of Allied occupation forces by reasonably effective Austrian defense forces, SACEUR would be deprived of the means of retarding a Soviet advance across Austria, thereby considerably reducing the time-space factor upon which SACEUR depends in the establishment of the planned defense of the southern flank of Allied Forces Central Europe and for the defense of NATO territory in southern Europe.

---

[1] Attached to the source text was a memorandum by the Executive Secretary of the National Security Council, James S. Lay, Jr., to members of the Council, dated Dec. 22, informing them that this memorandum by the JCS was being circulated for the information of the Council. For a record of the 180th meeting of the NSC on Jan. 14, 1954, at which this memorandum was discussed, see the memorandum of discussion, Document 906.

[2] Document 895.

[3] Not found in Department of State files.

4. The Joint Chiefs of Staff consider that regardless of the provisions of any Austrian peace treaty which the Soviets might sign, the ultimate Soviet objective in Austria will continue to be the incorporation of Austria into the Soviet bloc. Acceptance of the Soviet versions of the long draft treaty, combined with a severe neutralization of Austria, would create conditions which would facilitate the achievement of Soviet ultimate objectives through subversion, and thereby greatly increase the risk of the eventual loss of Austria to the Communist orbit. The loss of Austria would present a serious military threat to the NATO central and southern defense sectors under the present defense strategy for Europe in that it would place Soviet forces in a position to outflank NATO defense positions. Further, the more forward strategy now contemplated for adoption when a German contribution becomes available would be attended by such serious risks as to render such adoption hazardous to the security of the NATO forces in Central Europe. . . .

5. In stating that the neutralization or loss of Austria to the Soviets would require major revisions of existing NATO strategy for the defense of Western Europe, the Joint Chiefs of Staff were addressing themselves primarily to the increased risk of ultimate loss of Austria which would attend a severe neutralization of that country, and to the possible consequences of such loss.

6. The Joint Chiefs of Staff recognize that subparagraph 16-d of NSC 164/1 is designed as a broad statement of United States policy and as such is intended to permit a considerable latitude in its application. Viewed in this light, the Joint Chiefs of Staff find the present phrasing of subparagraph 16-d acceptable. They are of the opinion that the manner in which this broad policy is interpreted and applied in the course of any forthcoming negotiations for an Austrian peace treaty will determine the degree of military risk involved. Specifically, it is considered that if the United States is obliged to accept a neutralization of Austria, the degree of neutralization accepted should not deprive Austria of the authority and ability to create and maintain forces which will be adequate not only for her internal protection against Soviet attempts at subversion but also to provide a reasonable capability for retarding a Communist invasion of Austrian territory. In this connection, the Joint Chiefs of Staff believe that Austria would not be capable of maintaining such forces without outside (United States) assistance.

7. It is recommended that the National Security Council be advised that, subject to the above considerations pertaining to the application of the policy, the Joint Chiefs of Staff consider a revision

of the statement of policy contained in subparagraph 16–d of NSC 164/1 to be unnecessary.

For the Joint Chiefs of Staff:
ARTHUR RADFORD

No. 905

Editorial Note

In October 1953, a Tripartite Working Group was formed in order to prepare position papers on topics which could come under discussion in the proposed talks with the Soviets at Lugano. The United States Delegation, led by Douglas MacArthur, II, and including Theodore Achilles, Coburn Kidd, Ridgway B. Knight, Jacques Reinstein, Rebecca Wellington, and Charles Yost, met at the French Foreign Ministry from October 21 through November 2. The Working Group met again in Paris from December 16 through 21 to continue and complete its work in preparation for the four-power conference rescheduled for Berlin in January 1954. Most of the discussion in Paris concerned Germany, although one subcommittee was formed to deal with Austrian affairs. For documentation concerning this Working Group, see Documents 312 ff.

For the recommendations concerning Austria, see the summary of the Final Report by the Tripartite Working Group provided in a memorandum by Leon W. Fuller, dated January 5, 1954, Document 320.

No. 906

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 180th Meeting of the National Security Council, Thursday, January 14, 1954 [1]

TOP SECRET EYES ONLY

Present at the 180th meeting of the Council were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Acting Secretary of Defense; the Acting Director, Foreign Operations Administration; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Acting Secretary of the Interior (for Item 1); the Secretary of Commerce (for Item 1); the Director, Bureau of the

---

[1] Drafted on Jan. 15.

Budget; the Chairman, Atomic Energy Commission (for Item 3); the Federal Civil Defense Administrator (for Item 3); the Under Secretary of State; the Service Secretaries and the Joint Chiefs of Staff (for Item 3); Col. Bonesteel, Mr. Lehrer and Col. Powell, Department of Defense (for Item 3); the Director of Central Intelligence; the Assistant to the President; Robert Cutler and C. D. Jackson, Special Assistants to the President; Richard L. Hall, NSC Special Staff; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

Following is a summary of the discussion at the meeting and the chief points taken.

[Here follows discussion of items 1–5, significant world developments affecting United States security, a national petroleum program, continental defense, United States policy toward Southeast Asia, and United States civil administration in the Ryukyu Islands.]

6. U.S. Objectives and Policies With Respect to Austria (Memos for NSC from Executive Secretary, same subject, dated October 12 [2] and December 22, 1953; [3] NSC 164/1, para. 16–d [4])

Mr. Cutler read to the Council paragraph 16–d of NSC 164/1, regarding the possible neutralization of Austria if this proved necessary to secure a treaty, and then asked General Twining to summarize the views of the Joint Chiefs of Staff as to this course of action.

General Twining indicated that while the Joint Chiefs had no objection to going along with the present wording of paragraph 16–d, they merely wished to point out their anxiety at the prospect of any considerable neutralization of Austria to the point where it would interfere with the defense of Western Europe.

The President again, as at other meetings of the Council, complained that NSC papers used the word "neutralization" very loosely. Henceforth, he said, our papers should clearly indicate that neutralization of a nation did not necessarily mean its disarmament.

Secretary Dulles agreed with the President, and pointed out that what the State Department had in mind with regard to the neutralization of Austria was to agree, if absolutely necessary, that Austria should renounce membership in NATO or military alliances with the West. In any case, he reassured the military once again that the State Department would do all in its power to prevent any neutralization of Austria. He furthermore doubted whether the issue would come up at the forthcoming Berlin conference.

---

[2] Not printed, but see footnote 3, Document 894.
[3] Not printed, but see footnote 1, Document 904.
[4] Document 895.

The National Security Council:

Noted and discussed the views of the Joint Chiefs of Staff, transmitted by the reference memorandum of December 22, 1953, on the military implications of the degree of armed neutralization of Austria which might ultimately be accepted by the United States under paragraph 16–d of NSC 164/1.

[Here follows discussion of item 7, United States policy toward Iran.]

No. 907

763.0221/1–1854: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

TOP SECRET VIENNA, January 18, 1954—4 p.m.

1796. Saw Raab today with Figl present. I pointed out that at time of British and French reduction forces Austrian Government had informed us they saw no reason for us to do likewise. The Chancellor in public speech had recently stated that if Berlin conference failed both Russians and ourselves would be asked to reduce to token forces. This statement raised number of problems for us and number of questions which required clarification. I had been instructed to discuss whole matter frankly with him.

Among problems I mentioned difficulty continuing long range military expenditures such as housing in face Austrian pressure reduce. Also problem was possible effect on our plans for defense Europe. . . . Another problem was to where could we withdraw. Appeared impossible maintain US troops in Italy or Germany for defense Austria whereas Soviets could withdraw only few miles into Hungary.

I inquired what Austrians had in mind re such questions as provision for adequate Austrian security forces. Was four-power agreement anticipated on this subject and would there be any undertaking not to return forces unilaterally. Also did Austrians contemplate our withdrawal while Soviets remained in control large segment Austrian industry.

Raab replied by asking what would happen after Berlin. I said that on military side we hoped to be in position to have serious and fundamental talks. On political side impossible forecast position which would depend on Soviet action. I assured him that we would make every effort either obtain treaty or make clear it was Soviets who were blocking.

---

[1] Repeated to London, Paris, Moscow, and Bonn; pouched to General Arnold.

Raab said Soviets had in mind equivalent withdrawal on both sides. He anticipated expansion Austrian security forces along present lines. I pointed out that unless four-power agreement were obtained Soviets could use this as excuse for alleging coalition [*violation*] control agreement and re-enforcing their troops. I assured him that if there were any way we could work out for Austria to take over her own defense we would be most anxious to cooperate and we realized that after eight years of occupation breakdown at Berlin would face them with dismal prospect of further long continuation this burden. Raab said important thing was for us to have confidence in Austrian Government and said there was no difference between coalition partners on foreign policy. I replied we did have confidence in them and were certain we were working for same objectives but unless we discussed methods frankly misunderstandings were likely to arise. Raab assured me categorically that Austria would take no further action on this subject without full consultation with us. I believe he was impressed by problems and questions I had raised. Believe he is determined, however, to get Russians out and would take some risks in doing so in belief that with Soviet troops gone Austria could maintain her internal security and gradually establish her full sovereignty. Chancellor said he realized Austria was outpost in defense of European civilization and desired remain so, but because it was outpost had to be more flexible in its policy than we. He is extremely sensitive of any implications that he cannot be trusted by West. He said he had little hope for Berlin and remarked that France was the weakness of Europe.

THOMPSON

No. 908

S/S–NSC files, lot 63 D 351, NSC 164 Series

Memorandum Prepared by the Operations Coordinating Board [1]

TOP SECRET WASHINGTON, January 20, 1954.

PROGRESS REPORT ON NSC 164/1, "U.S. OBJECTIVES AND POLICIES WITH RESPECT TO AUSTRIA" [2]

A. SUMMARY

1. In preparation for the forthcoming Four-Power Conference at Berlin, tripartite positions on most essentials of the Austrian Treaty question have been arrived at with the British and French, consistent with paragraph 16 of NSC 164/1. Preparations are also in progress to meet the contingency of a Soviet proposal for pre-treaty withdrawal of occupation forces.

2. As a result of British and French reduction of their garrisons in Austria to token size (from 9,000 French to 460, and from 4,000 British to about 1,800)—an action taken over U.S. protest—concern over Austria's defense has increased. . . .

3. The military impact of the British and French troop reductions is still under study. It will entail a reassessment of U.S. allocation of forces in Austria and a re-study by SHAPE of the defenses of northern Italy.

4. The UK and French have agreed in principle to the idea of a tripartite declaration on Austria's post-treaty integrity, to be issued in connection with a treaty or troop withdrawal. Discussions are continuing.

---

[1] Following the National Security Council's adoption of NSC 164/1 on Oct. 13, 1953, and the President's approval the following day, the Operations Coordinating Board (OCB) was designated as the coordinating agency for the policies stated in this document. In a memorandum by Byron K. Enyart, the Acting Deputy Executive Officer of the OCB, dated Oct. 30, 1953, the Board was informed that an Austrian Working Group would be established chaired by a representative of the Department of State and aided by an Executive Secretary from the staff of the OCB. The Executive Officer of the OCB was informed in a memorandum of Nov. 19 by Walter A. Radius that the Department of State designated Richard B. Freund to serve as chairman of the Working Group.

Once the Working Group had drafted the progress report, it was sent to the OCB Board Assistants for their review. During their meeting on Jan. 29, 1954, the Board Assistants approved several minor changes in the text and agreed to present it to the OCB at the next meeting. The OCB approved the report at its meeting on Feb. 3 and directed that it be forwarded to the NSC for the Council's information. According to a cover sheet attached to the source text, this progress report was sent to the NSC on Feb. 4, 1954, with the notation that it covered the period from mid-October 1953 to Jan. 20, 1954. Copies of the OCB memoranda summarized above are in OCB files, lot 62 D 430, "Austria".

[2] Document 895.

5. The Soviets ended their occupation costs in October, the British and French following suit effective January 1. The Soviets also joined in Allied Council action ending censorship in Austria and relaxing travel controls. Lightening of the burden on Austria of requisitioned housing is expected from progress on housing construction for U.S. personnel.

6. After consulting with the Austrian Government, and in view of Austria's improved balance of payments, the U.S. has announced that there will be no economic aid to Austria in FY 1954. Meanwhile Austria shows continued restiveness over restrictions on East-West trade.

7. In the opinion of the Operations Coordinating Board, NSC 164/1 remains effective, timely, and capable of continuing implementation.

B. PROGRESS BY PARAGRAPHS

Austrian State Treaty (Paragraph 16.)

Paragraph 16-a; "Continue efforts to conclude a four-power treaty . . ." [3]

Progress: The Soviet Government, having refused invitations to two Foreign Ministers' meetings and two meetings of their deputies proposed by the West since last May, has agreed to a Foreign Ministers' meeting in Berlin. It has not specifically agreed to discuss Austria at this meeting; but its reply of January 16 to an Austrian request on this point, while avoiding commitment, intimates willingness to do so.

There are many indications that the Soviets will prevent significant progress at Berlin on an Austrian State Treaty by insisting on a satisfactory German settlement before Austria can have her independence. But the possibility remains that they will make a gesture on Austria as a show of peaceful intentions.

Although some minor differences exist, there is general tripartite agreement on positions to be taken on Austria at Berlin, in line with NSC 164/1.

Highlights of these positions not covered below are:

(1) We will seek prompt conclusion of a treaty, consisting of the long draft appropriately revised so as to ensure the political and economic independence of Austria. (The short draft was officially withdrawn in November.)

(2) We will refuse to link the treaty in any way with a German settlement.

(3) We would agree to full Austrian participation in any negotiations on the treaty.

---

[3] Ellipsis in the source text.

(4) If the Soviets obstruct progress we will make clear their sole responsibility for failure.

The three Western High Commissioners in Vienna have obtained the necessary assurances from the Austrian Government that the line its representatives will take at Berlin will be consistent with the tripartite position.

Paragraph 16–b: Propaganda exploiting Soviet intransigence on Austrian Treaty.

Progress: USIA in Austria has exploited Soviet intransigence in Vienna in connection with the following events: the 1953 diplomatic exchanges on this subject; the 10th anniversary of the Moscow Declaration in November; and, finally, the forthcoming Berlin Conference.

Output has included broadcasts from London on the Austrian network; two special supplements in May and November of the U.S. daily *Wiener Kurier,* about 250,000 copies each; an official Embassy statement in November; and two posters, one currently being distributed non-attributably through trade unions to 8,500 factories and union halls throughout Austria.

In this output stress has been laid on the continuing Soviet economic drain on Austria in the absence of a treaty. The campaign has coincided with a series of Soviet concessions and gestures, and may have been effective in reducing their impact.

Paragraph 16–c and 16–d: Tripartite discouragement of prejudicial Austrian-Soviet negotiations, and position with respect to the neutralization of Austria.

Progress: The Austrian Government has given the West assurances that it will not encourage Soviet efforts to obtain Austrian neutrality and opposes inclusion of a neutrality clause in the treaty. The Austrian Parliament on December 16 approved in Committee a resolution favoring full Austrian participation in the Council of Europe. However, the resolution clearly implied that Austria will join no military alliance. Nevertheless, the Communist press in Austria stated that even this resolution would end prospects for a treaty.

The British and French have shown that they will be firm in resisting the neutralization of Austria. The U.S. position remains consistent with NSC 164/1.

Paragraph 16–e: Favorable revision of the long draft treaty, especially on Soviet control of so-called "German assets" (Article 35).

Progress: The tripartite position for Berlin includes plans for an Austrian request to alleviate Article 35 of the Treaty, with Western support to follow. The Austrian Government has confirmed its intention to make such a request and a working group of the three

Western Powers and Austrian representatives is developing suggested revisions of the Article for use at Berlin.

Actions in the absence of a treaty (Paragraph 17)

Paragraph 17-a: Efforts to obtain alleviation of Soviet burdens and pressures.

Progress: The Allied Council has ended censorship in Austria and has relaxed travel restrictions.

The Soviets ended their Austrian occupation costs in October, and the British and French followed suit effective January 1. Thus, all four occupying powers are now on a pay-as-you-go basis (the U.S. has been on this basis since 1947), ending the burden of occupation costs for Austria, but not the major Soviet drain on the Austrian economy.

Several actions by the U.S. have further contributed to alleviation of burdens on Austria. Military dependents' housing construction at Camp Roeder near Salzburg is going forward with joint U.S.-Austrian financing. In addition proceeds from proposed liquidation of the Vienna food stock-pile, if approved (see under paragraph 17-f below) would be used for additional housing construction in both Vienna and the U.S. Zone. These actions together will make possible the return of substantial requisitioned housing.

Paragraph 17-b: Encouraging the elimination of restrictive economic devices in Austria.

Progress: Early in December a labor-management compromise ended a six-month deadlock which had stalled implementation of the productivity program. The local currency counterpart of $10 million is reserved for this program under the so-called Moody Amendment.

The FY 1954 Technical Assistance Program is proceeding satisfactorily except for activities in the labor field. Labor participation is temporarily suspended over the unions' refusal to share local currency costs of the program. FOA is giving top priority to resolution of this issue. Meanwhile a TA program for FY 1955 is being drawn up for submission to the Bureau of the Budget.

Paragraph 17-c: Promotion of Austria's international trade and the reduction of Austria's dependence on Soviet bloc trade.

Progress: Austria continues restive concerning restrictions on its trade with the East. With respect to EPU trade, Austria argues that increased liberalization of trade would weaken East-West trade controls. Nevertheless, Austria has announced its intention to put 60 per cent of its EPU trade on a liberalized basis (the figure hitherto has been 50 per cent).

Paragraph 17-d: Possible necessity for U.S. economic aid to Austria.

Progress: On January 4, 1954, FOA announced that Austria would require no economic aid during FY 1954. This decision, which was reached after consultation with the Austrian Government, was made possible by the sharp recovery in the Austrian balance of payments during 1953. However, Austria will continue to benefit from the pipeline of previous allotments (about $18 million). No budget request for aid to Austria is being made for FY 1955.

Paragraph 17–e: U.S. position on Four-Power troop withdrawal in advance of a treaty.

Progress: The Austrian Chancellor stated publicly on January 6 that if there is no agreement on a treaty at Berlin, he will demand Four-Power troop withdrawal. Should the Soviets at Berlin propose Four-Power troop withdrawal prior to a treaty, or accept an Austrian demand, the West will insist that a treaty and nothing less is our objective and again press the Soviets to carry out their commitment to restore Austrian freedom. Even so, such a Soviet proposal, if refused by the West, could place us in a seriously adverse propaganda position. Accordingly, a further negotiating position is being developed on this point, designed to safeguard U.S. security interests in accordance with NSC 164/1 while presenting the best possible propaganda position.

Paragraph 17–f and 17–h: Action in event of a Soviet blockade of Vienna.

Progress: There have been no indications that the Soviets are planning to force the West out of Vienna or to partition Austria. Accordingly, the U.S. High Commissioner and the Commanding General, U.S. Forces, have proposed final liquidation of the food stockpile developed in previous years against this contingency. This proposal is under active consideration in the Departments of State and Defense. If approved, it will eliminate costly administrative and rotational expenses.

Military and Security Provisions (Paragraphs 18 through 21)

Paragraphs 18–a, b, and *c:* Austrian forces, pre-treaty and post-treaty.

Progress: covered under 18–e below.

Paragraph 18–d: Retention of Western garrisons in Austria.

Progress: Despite a protest made by the Secretary of State to their Ambassadors in Washington, the British and French Governments did not modify their unilateral decisions to withdraw the major portion of their occupation forces from the Western zones of Austria. The units remaining in Austria are of token size only: approximately 1,800 British and 460 French, including their Vienna garrisons, reduced from 4,000 British and 9,000 French. Soviet troop strength remains approximately 55,000.

The military implications of these withdrawals were discussed on a tripartite basis in Paris in December 1953. The U.S. representative, General Collins, stated that the U.S. would have to reassess the allocation of its forces in Austria. General Gruenther, a participant in the meeting, indicated that SHAPE would undertake a restudy of the defenses of Northern Italy. Both subjects will be pursued after a final decision has been taken on redeployment of TRUST forces following completion of their mission in Trieste. Department of the Army budget plans for FY 1955, not yet approved, authorize a personnel strength for U.S. forces in Austria of approximately 19,000. The present level is 17,000.

Paragraph 18-e: Planning and equipment for additional pretreaty Austrian forces.

Progress: In consequence of the British and French withdrawals (see under 18-d above), concern for Austria's defense has increased. . . .

. . . . . .

Paragraph 19: Tripartite declaration at time of troop withdrawal.

Progress: The British and French were initially cool to a U.S. suggestion for a tripartite declaration on Austria's post-treaty integrity, but they have now agreed in principle. There will be a tripartite ministerial discussion before Berlin on this point. This discussion will explore further British objections, which carried disturbing implications as to the British attitude toward commitments on the Continent. Such a declaration would, of course, not be made until after ratification of a treaty by all signatories, although it may be discussed with the Austrians and NATO in advance.

. . . . . .

C. APPRAISAL OF NSC 164/1

In the opinion of the Operations Coordinating Board, NSC 164/1 remains effective, timely and capable of continuing implementation.

No. 909

763.0221/1-2154: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State

TOP SECRET VIENNA, January 21, 1954—7 p.m.

1823. Assume my 1796 [1] received garbled as it stated "Raab said Austrians had in mind equivalent withdrawal" (Deptel 2099 [2]). Last knowledge we have of Austrian discussion this subject with Soviets was following Raab's visit to Paris when he asked Soviet HICOM what Soviets would say if he should ask them to make withdrawal similar to that of French which had just been announced. According to Raab Soviet HICOM said this was military matter and not within his competence.

Informed Schaerf today my conversation with Raab. Schaerf was evasive on attitude his party but said Raab most difficult to work with and that although he had known him 30 years still did not know what was in his mind or heart. Said he thought Raab believed he could make deal with Russians to advantage Peoples Party and then regain his independence. I observed this came in category of "famous last words". Schaerf thought Raab capable of attempting put down Socialists with Communist help but indicated did not think any steps planned in near future. He said increasing difficulties were arising between two parties on small questions as well as on question of *gendarmérie* and eventual Austrian army.

Schaerf also expressed doubts Figl's ability adequately represent Austria at Berlin. Schaerf is never loath to run down his People's Party colleagues but believe he is genuinely worried as to Raab's ultimate intentions.

THOMPSON

---

[1] Document 907.

[2] Telegram 2099 inquired if the Embassy had any knowledge of the extent of Austrian discussions with the Soviets or any other basis for Raab's remark that the Soviets desired "equivalent withdrawal on both sides." (763.0221/1-1854)

No. 910

Editorial Note

The Foreign Ministers of the United States, the United Kingdom, France, and the Soviet Union met in Berlin from January 25 through February 18 to discuss problems of mutual concern including the question of the Austrian Treaty. For documentation on the

plenary and restricted meetings, as well as various delegation meetings and other conversations, see Documents 257 ff.

No. 911

663.001/2-1454: Telegram

The Acting United States High Commissioner for Austria (Yost) to the United States Delegation at the Berlin Conference [1]

SECRET NIACT VIENNA, February 14, 1954—3 p.m.

63. On assumption that agreement on Austrian treaty in Berlin is impossible, we presume US delegation considering means of avoiding total and indefinitely prolonged impasse on this question. We submit following suggestions as one possible device for gradual liberation of Austria or at least, if Soviets should turn it down, for demonstrating even more clearly their complete disregard of Austrian rights and interests.

1. Declaration to be issued by four Ministers at Berlin embodying first five articles of Austrian treaty draft and stating that any violation of terms of these articles would be matter of joint concern to four powers.

2. Instructions to be issued by four Ministers at Berlin to four High Commissioners in Vienna to negotiate, within framework of control agreement and in conjunction with Austrian Government:

(a) Gradual establishment of Austrian armed forces up to level envisaged in treaty draft, and step by step withdrawal of occupation forces as Austrian forces come into being;
(b) Settlement of economic clauses of treaty, along lines of treaty draft but with due regard for Austrian Government's request for alleviation burden of Article 35.

3. Decision by four Ministers at Berlin to resume Austrian treaty negotiations, through whatever channel seems most appropriate, as soon as task assigned to High Commissioners has been carried out.

We realize that this suggestion draws us immediately into delicate question of withdrawal of forces. Since this is however heart of Austrian problem, it cannot long be avoided. It seems unlikely that proposal would be accepted by Soviets in their present mood but, if it were, it would enable us to ensure that any withdrawal or reduction of forces would be coupled with creation of Austrian army and settlement of German assets problem, and that until these problems were settled AC machinery would remain in being. Other ad-

---

[1] Repeated to London, Paris, and Washington. The source text is the copy in Department of State files.

vantages we see in this proposal are that it would commit Austrians to creation of army and would reduce likelihood of bilateral Austro-Soviet negotiations on these questions, which otherwise are almost certain to occur and in which Soviets will be in most favorable position. Propaganda advantages of proposal would also be considerable, at least in Austria.

YOST

No. 912

763.0221/2-1554: Telegram

The Ambassador in the United Kingdom (Aldrich) to the United States Delegation at the Berlin Conference [1]

TOP SECRET NIACT LONDON, February 15, 1954—3 p.m.

113. For Merchant from Thompson. [2] Despite February 13 statement of Austrian Government still hope we can make at least some progress on Austrian question at Berlin. Tactics followed and Secretary's devastating exposure of Soviet aims [3] leave us in excellent propaganda position and will have effect of continuing pressure on Soviets to conclude treaty. Realize any agreement on our part to keep troops in Austria would weaken this pressure for complete Austrian independence. Hard fact, however, in my opinion is that such pressure likely be ineffective. I cannot judge effect of agreement re Austria on German question and recognize my views may have little value. Wish point out, however, that if present situation continues most likely developments are eventual Austrian-Soviet bilateral arrangements or Austrians following dangerous policy of needling Soviets in efforts force issue in hope achieving independence.

Also wish emphasize that the fact Soviets have not fully exploited their present possibilities does not mean there would not be real advantage in removing some of these by agreement. For example, they could reinstitute zonal controls, step up Communist infiltration and control of police in Soviet sectors and zone and by a kind of creeping paralysis make it very difficult for us to have showdown on any one issue or action. Following is rough outline of kind

---

[1] Repeated to Vienna and Washington. The source text is the copy in Department of State files.

[2] Thompson was in London to serve as the Chief U.S. Negotiator for the three-power talks between the United States, the United Kingdom, and Yugoslavia concerning Trieste which continued from February through May 1954.

[3] Reference to Secretary Dulles' speech of Feb. 2. See Secto 70, Document 407.

of agreement I believe would in long run be advantageous if it could be achieved and Austrian Government agreed.

(1) Instructions to Deputies to conclude draft treaty with reduction in amount to be paid for German assets and if possible restoring oil fields to Austria against payment specific amount of oil which might be estimate of production less liberal allowance Austrian needs.
(2) Negotiation agreement with Austrian Government on status of Allied troops.
(3) Problem of Vienna to be handled either by maintenance Allied Kommandatura or provision against stationing armed forces within given distance from city.
(4) Question of provisions against military alliance to be deferred until agreement reached for withdrawal of troops but Austrians allowed to conclude bilateral undertaking with Soviets to effect they would not enter any alliance prior to conclusion agreement withdrawal foreign troops. In return for which Austria allowed to rearm up to treaty standard or at least expand *gendarmérie.*
(5) Refusal to consider any provisions re Trieste.

If foregoing not possible on grounds which I recognize I am not in position to judge, hope we can at least leave open some such possibility as that suggested in Vienna's 63. [4]

Since I am not in touch with current situation in Austria, do not suggest much weight should be given foregoing views, but offer them merely in hope they may assist in making difficult decisions which must now be taken.

ALDRICH

[4] *Supra.*

No. 913

763.00/2-2554: Telegram

The Acting United States High Commissioner for Austria (Yost) to the Department of State [1]

SECRET VIENNA, February 25, 1954—6 p.m.

2183. During call to introduce Freund we discussed with Raab in general terms post-Berlin situation of Austria.

In referring to parliamentary debate yesterday Chancellor said that, though speeches accurate reflection of Austrian feeling, it would have been better had they not been made since they were not conducive to proper atmosphere for negotiations with Russians

[1] Repeated to Paris and London.

which must be resumed. In response to query as to character and content of such negotiations, he said they should deal with Austrian control of its own frontiers and subjection of USIA firms to Austrian law. He did not specifically state negotiations would be bilateral but seemed clearly so to intend.

When asked whether he expected Soviets now to follow tougher or softer line in Austria, he replied softer and added Ilychev had already stated desire for serious conversation with him.

Chancellor was firmly of opinion that, as long as Soviet troops remain, control agreement constitutes essential protection for Austria and should not be revised, whether in regard to review of Austrian legislation or otherwise. He did urge however that AC approve pending constitutional laws, particularly that revising Vienna boundaries. Replying to query re desirability troop reduction, he said he did not intend to raise this question "at present" and that Western withdrawals should in any case be no more than proportionate to Soviets.

He concluded that he expected government would within another week have firmed up its position on these matters and he would at that time talk with us further.

In conversation with Freund yesterday Vice Chancellor spontaneously expressed hope US would not reduce troops to token level or below strength which would ensure US involvement in any Soviet attack on Austria. He also opposed major revision of control agreement though did not seem to exclude minor changes. As alleviations he urged: (1) Austrian control of movement of goods and persons across her frontiers, (2) return of USIA enterprises, (3) freedom to engage in civil aviation, (4) delivery to Austrian Government of Red-White-Red radio network.

In contrast to Raab, Schaerf doubted Soviets would pursue more lenient course, quoting recent remark of Soviet official: "You sided with Western imperialists at Berlin, so how can you expect favors from us."

YOST

No. 914

750G.00/2-2554

The United States High Commissioner for Austria (Thompson) to the Assistant Secretary of State for European Affairs (Merchant)

TOP SECRET LONDON, February 25, 1954.

DEAR LIVIE: In Paris last weekend I had a long talk with Generals Gruenther and Schuyler, and also a long talk with Chip Bohlen about Berlin, which was very helpful. The two subjects I discussed with Gruenther were the problem of the use of Austrian manpower and the possible transfer to Austria of the Trieste troops.

With regard to the first, I pointed out that there appeared to be a fundamental difference between us and the British over the possible defense of Austria and on basic strategy. It seemed doubtful whether the British would really attempt to make any use of Austrian manpower in their Zone unless and until their ideas on strategy could be reconciled with ours. I pointed out that General Collins did not seem to have gone into these basic questions and this was confirmed by General Gruenther. He said that SHAPE was currently engaged in drawing up complete new plans and agreed that this issue would have to be thrashed out. I also pointed out that because of the compartmentalization that existed on the U.S. side there never seemed to be any possibility of all those concerned coming to grips with a problem such as this. Because of this we had lost at least a French battalion, and I hoped there would be an opportunity to consider the political aspects together with the U.S. military and the NATO military aspects as well.

With regard to the Trieste troops, I pointed out that I had supported General Arnold's request for the transfer of these troops despite the obvious political difficulties and risks this might involve. In order that there might be no misunderstanding, however, I wanted him to know that I saw no prospect whatever of it being possible for these troops ever to be stationed in the British Zone in peace time. He indicated he was aware of this. I also said it was my guess that following their disappointment at Berlin the Austrians would likely now move openly to expand their *gendarmérie* and possibly even to press for the creation of an Austrian Army. I described the differences of opinion between the Socialists and People's Party on which of these courses should be followed. I said that if the Austrians took the risk of an overt expansion program, the simultaneous increase of our military forces would, if it became known, considerably add to the risk of Soviet reaction and possibly of Austrian resentment. I was out of touch with Austria, but would

guess that in keeping pressure on the Soviets to withdraw their force, the Austrians would also press us for reduction or withdrawal. In view of these facts, I was having some second thoughts on supporting the transfer of the Trieste troops. I tried to draw him out on his attitude toward this transfer and whether or not he considered it essential.

Gruenther said that from his point of view he would have to say that the reinforcement of our troops was desirable, but the other matters I had raised involved political decisions.

I then said that the crucial point seemed to me to be whether if this reinforcement were not made our military would consider that the force we had were insufficient to do the job and that we might as well, therefore, drastically reduce them. General Gruenther indicated he did not think this was the case, although he said some of our commanders in Germany might tend to take this view.

I realize I should not attempt to engage in any back-seat driving from here, but thought you and Charlie should know of this conversation. From the progress or lack thereof so far, it does not appear that the disposal of the Trieste troops will pose an immediate problem, but I am still an optimist.

Best regards to you both,[1]

[1] The source text is unsigned.

No. 915

763.00/2-2754: Telegram

The Acting United States High Commissioner for Austria (Yost) to the Department of State [1]

TOP SECRET VIENNA, February 27, 1954—4 p.m.

2202. Reference Embtel 2159. [2] Conversations with leading members of Austrian Government and two coalition parties during past week indicate that, while government's post-Berlin policy not yet fully formulated, present inclination of leaders both parties is to seek alleviations through early bilateral negotiations with Soviets. Austrian leaders apparently feel they have no alternative to such course since (1) public opinion will demand they continue efforts to liberate Austria (2) Soviets are principal obstacle to liberation and hence in position to confer major benefits. Theoretical alternative

[1] Repeated to Paris and London.

[2] Telegram 2159 noted that a report on ways to alleviate the situation in Austria would be forthcoming. (763.00/2-2354)

of aggressive anti-Soviet policy Austrians reject as raising old spectre of partition. Austrian leaders assure us, however, they would not undertake bilateral negotiations without prior consultation with Western powers.

Both Figl and Kreisky have also urged resumption of five-power treaty negotiations, but it is likely they regard these as supplement rather than alternative to, in their eyes, more promising bilateral negotiations in which Soviets would be in position of making concessions to Austrians rather than to West. With perennial optimism Austrian leaders, in this case Socialists as well as People's Party, seem to hope for some alleviations from Soviets, particularly in Austrian control of its own frontiers and restoration some USIA properties. Austrians increasingly concerned about economic and political effects of prolonged Soviet possession USIA factories.

Our discussions with General Arnold, British, French, and Austrians have led us to conclusion that alleviations which West could safely accord are extremely meagre. Two principal fields explored were troop reduction and revision of control agreement.

As to first, General Arnold believes, and we concur, that any significant reduction in his present forces would render them incapable of performing assigned mission and open whole of Austria in case of war to immediate Soviet occupation. We doubt that propaganda benefits, either in Austria or elsewhere, to be derived from reduction warrant incurring such risk. We shall therefore endeavor persuade Austrians not to raise this issue publicly and, if they do, would recommend our line be that Soviets first reduce to Western level before we consider reduction. French HICOM strongly supports this attitude though British somewhat more uncertain. Austrian leaders seem inclined not press this issue for present though Chancellor's future attitude still ambiguous. We should however recommend Department and Defense continue study possible reduction in unlikely event Soviets should make proposal or Austrian pressure become serious.

As to control agreement, British and French HICOMs and Chancellor agree with us that it constitutes important protection for Austria as long as Soviet troops remain and should not be tampered with. We shall endeavor maintain this position. Other Austrian leaders however will continue urge revision, particularly abolition review of Austrian legislation, and it is conceivable heavy pressure may be built up. We are studying possible procedural changes which would assuage Austrian dignity without affecting text agreement. We must also keep in mind that Soviets may in line with Molotov's Berlin proposals, suggest scrapping control agreement, which would probably attract Austrian public opinion and create difficult situation for us.

It is clear that Austrians will negotiate with Soviets on German assets, trade agreement, and control of goods and persons across their frontiers. Soviets have in their power to grant substantial alleviation and to exact economic and perhaps political *quid pro quo*. As indication inherent advantages their bargaining position, leaders both parties have intimated to us that proposal to join Council of Europe, which before Berlin had overwhelming parliament support, will now be shelved for time being to avoid provoking Soviets.

There are still few measures pending in AC, such as civil aviation, limitation allied arrest and court jurisdiction over Austrian nationals, and elimination controls over Austrian police, which we shall continue to press but progress depends on Soviets. Chancellor anxious for approval pending constitutional laws but our concurrence still dependent on heirless property settlement. Unilateral alleviations meagre and uncertain though hope rail rate problem can be quickly solved and continuing progress made in housing. Latter offers prospect substantial alleviation without troop reduction if stockpile and other problems can be solved.

Dilemma confronting West powers in Austria is following: Since they have little more to concede and Soviets have much, Austrians are inevitably led to bargain with Soviets for liberation or alleviation. This bargaining will be bilateral unless West promptly reopens five-power treaty negotiations. Such negotiations, if reopened, seem condemned to sterility until Soviets are ready to withdraw troops. Bilateral Austro-Soviet negotiations might achieve more immediate partial results but could lead Austrians to excessive and dangerous concessions which West could not wholly prevent.

We would wish to explore more thoroughly attitude of Austrian leaders before making definitive recommendation on this question. Our present inclination is first to let Austrians probe Soviet willingness to negotiate and, if it develops willingness exists, thereafter to propose renewal five-power negotiations. Risk in this procedure is that, if Austro-Soviet negotiations should progress to their common satisfaction, both might later be unwilling to shift to broader forum.

YOST

No. 916

763.00/3-454: Telegram

The Acting United States High Commissioner for Austria (Yost) to the Department of State [1]

SECRET VIENNA, March 4, 1954—5 p.m.

2233. In extended conversation today Raab informed me that agreement had not yet been reached between coalition parties as to basic post-Berlin policy but that we would be consulted as soon as joint policy formulated, probably next week.

Re his recent conversations with Ilyichev, he said in response his inquiries Soviet High Commissioner had (1) agreed bring up in AC March 12 constitutional law of 1946 readjusting Vienna boundaries (we expect bring up earlier in legal directorate in order forestall probable Soviet effort reintroduce unacceptable amendments), (2) declared Soviets still willing four Ambassadors in Vienna resume treaty negotiations. When I suggested there seemed little advantage resuming treaty negotiations until Soviets showed signs willingness withdraw troops, Chancellor agreed no early prospect conclusion of treaty but nevertheless felt even informal exploratory talks among four Ambassadors would be useful (1) to demonstrate to Austrian public all effort to make progress on treaty had not ceased and (2) to feel out Soviet attitude.

Chancellor repeated his assurances there would be no bilateral negotiations with Soviets without prior consultation with Western Powers. When asked whether hopeful Soviets would either turn over USIA enterprises or subject them to Austrian law, he replied latter probably if Austrians would formally recognize Soviet ownership. He did not reply to my comment this would be dangerous step.

Raab indicated he would continue to urge reduction in occupation forces but that this was done for internal political reasons, that he knew Soviets would not agree and that his demands not addressed to us. I pointed out at some length danger this tactic including possibility Soviets might consent to percentage reduction which would be unimportant for them but would destroy utility our already marginal forces. Chancellor recognized force of argument but gave no assurance to abandon propaganda.

Raab admitted there are at present unusually serious difficulties within coalition, arising from economic problems and upcoming provincial elections, but did not appear to desire or expect early

[1] Repeated to London, Paris, and Moscow.

breakdown of coalition. I registered usual plug for maintenance coalition.

Conversation was most cordial and Chancellor promised to consult with us again shortly on these matters.

YOST

No. 917

763.00/2-2754: Telegram

The Acting Secretary of State to the Embassy in Austria [1]

TOP SECRET WASHINGTON, March 12, 1954—7:27 p.m.

2643. Re Embtel 2202. [2] Following views may be helpful in connection Embassy's consideration occupation alleviation and, if Embassy agrees, in discussion with British, French and later Austrians.

1. Believe next tripartite step should be preparation in Vienna of report to UN with timing presentation to be decided later (Deptel 2498 [3]).

2. Unilateral U.S. action to return to Austrian control Linz and Salzburg radio stations, conclude new agreement freight and communication rates, and housing program resulting from studies we understand are under way should serve somewhat reduce tensions resulting from failure conclude treaty Berlin.

3. Concur desirability retaining Control Agreement as protection Austria long as Soviet troops remain. Article 8a Control Agreement provides means however seeking redefinition functions troops and four-power action might be initiated thereunder with view making presence occupation troops less oppressive to Austrians. We understand specific proposals this nature are in preparation and will be interested in whatever you can develop with General Arnold.

4. Pension and heirless property questions now seem so near solution we are reluctant remove pressure at possibly decisive time. However if restitution settled, or well under way to settlement, and if necessary do something about review Austrian legislation, three alternatives seem possible (appreciate further Embassy comment).

---

[1] Drafted by J. W. Jones, Appling, and E. P. Allen and cleared by Bonbright and the Department of Defense. Repeated to London, Paris, and Moscow.

[2] Document 915.

[3] Telegram 2498 stated that the Department of State considered a tripartite report to the United Nations on the Austrian Treaty desirable and instructed the first draft to be written by Embassy officials in Vienna. (763.0221/2-2554)

a. U.S. or three West Powers declare intent approve all outstanding laws, constitutional or otherwise, and make known general policy of abstaining from veto;

b. initiate action in AC to permit all Austrian laws to go into effect in 31 days unless, on basis official gazette publication, they are brought up in AC where present rules would apply (c) formal revision Article 6 to end review (would this necessarily endanger whole Control Agreement?).

5. Raab's statement (Vienna's 2183 [4]) that he does not intend raise troop withdrawal is welcome but not convincing in view Embtel 2228. [5] Overall troop reduction is aspect alleviation which would have greatest popular impact. Should Austrian pressures force AC consideration this problem, proposal suggested paragraph 2(a) Embtel 2049 [6] might be useful basis for West proceed discussion reduction of forces. Our conditions would remain as stated Tosec 42, [7] Tosec 59, [8] Dulte 62 [9] and Tedul 43 [10] (latter two messages being repeated Vienna). Formula proposed should protect our present strength in Austria until Soviets reduce to our level and require increase Austrian forces proceed satisfactorily commensurate with overall reduction.

6. We welcome assurance Austrian leaders (Vienna's 2202) that bilateral negotiations with Soviets will not be undertaken without prior consultation West powers (see CA 1289, September 5, 1953 [11] subject transfer USIA complex to Austria prior treaty settlement). Under circumstances we believe consideration should be given to exploring tripartitely and with Austrians possibility seeking four-power settlement German assets question with Austrian participation bearing in mind (1) Austria's plea for alleviation economic burdens; (2) professed Soviet desire meet Austrian wishes for alleviation as evidenced by proposal amend Article 35; (3) Western withdrawal offer accept Soviet proposed amendment Article 35, our

---

[4] Document 913.

[5] Telegram 2228 reported Raab's press interview of Mar. 2 in Vienna. (663.001/3-354)

[6] Not printed. Paragraph 2 (a) reads as follows: "Gradual establishment of Austrian armed forces up to level envisaged in treaty draft, and step by step withdrawal of occupation forces as Austrian forces come into being." (663.001/2-1454)

[7] Tosec 42 recommended opposition to the British and French suggestion that the West propose a reduction to token forces in Austria and stressed that the *gendarmérie* was presently inadequate. (Conference files, lot 60 D 627, CF 211)

[8] Not printed, but see footnote 4, Document 378.

[9] Document 454.

[10] Telegram 43 reported the concurrence of the JCS with the views outlined in Dulte 62 concerning the reduction of forces in Austria. (Conference files, lot 60 D 627, CF 212)

[11] CA 1289 noted the approval by the Department of State of the Embassy's recommendation that the Austrian Government be clearly informed of the U.S. position on the pre-treaty return of USIA properties to Austrian control. (663.001/8-1353)

offer having been conditioned on conclusion treaty as whole at Berlin; and (4) our desire seek alleviation more extensive than that proposed by Soviets (see BER D–3a [12]); (5) Austrian refusal pay Soviet price for German assets without ending military occupation; and (6) Austrian desire for protection against German demands. If Soviet proposal for payment in goods considered, agreement should be sought for West participation determination quantities and types goods to be furnished. Scope these negotiations might subsequently be enlarged to encompass other aspects treaty problem if any indication Soviet readiness make concessions without imposing dangerous price on Austria.

Defense concurs.

SMITH

[12] Not printed. It was one of the position papers prepared for use at the Berlin Conference.

No. 918

663.001/3–2454: Telegram

The Acting United States High Commissioner for Austria (Yost) to the Department of State [1]

SECRET VIENNA, March 24, 1954—6 p.m.

2412. Three acting HICOMs (Payart now in Paris) met today with Raab, Schaerf, Figl and Kreisky who informed us of desire Austrian Government to seek resumption treaty negotiations through vehicle four HICOMs sitting in Vienna with participation Austrian representatives. Figl argued:

(1) For sake Austrian public morale some means must be found to restart negotiations which could well be stalled indefinitely if we await Soviets fixing date for troop withdrawal and

(2) While negotiations would not produce treaty, they might result in partial agreements, e.g. on German assets, which would bring about substantial alleviation for Austria. Austrians suggested they might despatch note to four powers proposing resumption negotiations in Vienna, or alternatively that three western powers, or US as power which had at Berlin rejected Molotov's suggestion to this effect, might wish to take initiative.

Chancellor repeated assurances previously given that Austrian Government will not accept treaty which involves continued occupation, and that it desires control agreement to remain in force as

[1] Repeated to Paris, London, and Moscow.

long as occupation continues. Figl and Kreisky both emphasized dangers bilateral Austro/Soviet negotiations on German assets or other subjects falling within scope of treaty, but insisted Austrian Government would not be able wholly to reject this expedient if no other channel of negotiation were open. Kreisky referred to what he considered to be firm assurances three western Ministers at Berlin that, if no treaty there forthcoming, some means would be found to keep negotiations alive.

Being asked to comment, I said I must of course consult my government but felt their first reaction might be serious doubt whether there is advantage to be gained in reopening treaty negotiations when treaty is clearly unobtainable, thereby giving Soviets opportunity to appear conciliatory when they have in fact no intention of being so. Referring to second point made by Figl, however, I inquired whether it would not serve Austrian purpose as well if HICOMs and Austrian representatives were charged with negotiating not treaty but alleviation burdens of occupation arising from absence of treaty. Austrians agreed they would be satisfied with this formula, that important point is that negotiations be undertaken and progress be made in settling problems falling within scope of treaty draft. They promised us written memo setting forth their views.

To French query whether it was worthwhile raising question in advance of Geneva, [2] Austrians replied matter might be informally discussed with Molotov at Geneva. I expressed view US Government would oppose introduction European issues at Geneva and Austrians themselves would hardly wish to involve their problem with Korea and Indochina. British strongly concurred, as did French and Austrians somewhat less firmly.

Comment: If Austrians are in fact willing to modify their proposal along lines suggested, it would seem to fit in with our intention to push forward alleviations, with Department's suggestion for German assets settlement set forth paragraph 6 Deptel 2643, [3] and with our earnest desire to forestall bilateral Austrian/Soviet negotiations. Austrians seem in fact to have offered us opportunity to keep problem of alleviations firmly in our hands without obliging us to appear obstructive or mistrustful of their good faith. British and French here will almost certainly recommend acceptance. There is some question whether best vehicle for negotiation would be AC itself, four HICOMs acting outside AC, or four Ambassadors, though British and French inclined to favor second. We shall com-

[2] Reference to the Geneva Conference, which was scheduled to begin on Apr. 26.
[3] *Supra.*

ment more fully on this and other aspects of question when Austrian memo received.

YOST

No. 919

EUR files, lot 59 D 233, "Austria, 1952-1955"

Memorandum of Conversation, by the Director of the Office of Western European Affairs (Jones)

CONFIDENTIAL [WASHINGTON,] March 25, 1954.

Participants: The Secretary
Dr. Karl Gruber, Austrian Ambassador
Mr. John Wesley Jones, WE

Subject: First Official Call of the Austrian Ambassador [1]

The Austrian Ambassador made his first official call on the Secretary this afternoon at three o'clock. The Ambassador expressed pleasure at being received by the Secretary and said that he wanted to congratulate Mr. Dulles on the magnificent manner in which he had handled the Berlin Conference, particularly with respect to the Austrian question. The Ambassador added that this was the first time that the Russians had been forced to show their hand and that as a consequence the Soviets had received a serious setback in Austrian public opinion.

The Secretary recalled that the Austrian Government's offer, on the last day of the Conference, [2] to accept the onerous Soviet terms for a State Treaty if the Russians would fix a date for the withdrawal of troops, did not receive a minute's consideration from Molotov before it was rejected. It therefore seemed clear that the Soviets were determined not to withdraw from any territory which they now occupy. Molotov did, at the last minute, suggest that the negotiations on the Treaty be continued by the four High Commissioners in Vienna but, the Secretary said, he had not agreed to this because it indicated that the outstanding issues were minor ones which could be settled by the Deputies where, in fact, there was only one issue, and that a major one, namely, the withdrawal of Soviet occupation forces from Austria. He, therefore, had taken the position that the treaty conversations would be resumed whenever

---

[1] Karl Gruber, the newly appointed Ambassador of Austria, presented his credentials to the Acting Secretary of State on Mar. 3. A memorandum of conversation by Muir recording this credentials presentation, dated Mar. 3, is in Secretary's Memoranda of Conversation, lot 64 D 199, "March 1954".

[2] For a record of this meeting, see Secto 176, Document 505.

the Soviets fixed a date for the withdrawal of their troops. The Ambassador agreed that this was a logical and desirable course. He added, however, that some action should be devised within the next few months to give the Austrians hope for the future, such as a report to the United Nations, etc. Dr. Gruber went on to say that he had known Mr. Zaroubin, the Soviet Ambassador here, for many years and that when he had paid his official call on him recently Zaroubin had expressed his regret that a solution had not been found at Berlin for the Austrians. He added that they, the Soviets, had wished to continue the negotiations in Vienna but that the Americans had vetoed this suggestion. Dr. Gruber expressed the opinion that the Soviets delighted in conferences where they could talk indefinitely and thus avoid taking any action.

No. 920

763.0221/3-3154: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State [1]

TOP SECRET LONDON, March 31, 1954—6 p.m.

4272. From Thompson. Met today with Wallinger, who is departing for Vienna tomorrow, and Harrison. British had received only this morning report from their Embassy similar that contained in Vienna's 2412 of March 24. [2] I inquired whether this would affect their proposal to suggest Austria joining the Council of Europe. Their first reaction was negative, pointing out that they would not propose to pressure the Austrian Government but merely make suggestion. After pointing out I was out of touch with Austrian affairs and could, therefore, only express personal opinions, I said there appeared to be differences between the Socialists and People's Party on this subject and that even on the basis of a mere suggestion from us the Socialists might grab the ball and run and that Raab might not be able to control the situation. It appeared to me that timing was most important and that the logical order would be first, talks on the use of Austrian manpower; second, talks on the Austrian proposal for a five-power discussion on measures of alleviation and finally the Council of Europe suggestion. I personally thought any step which tied Austria into the European Community was useful, but it might be unwise to give the Soviets an excuse for refusing to discuss alleviation.

---

[1] Repeated to Vienna and Paris.

[2] Document 918.

The British policy paper on the approach on use of Austrian manpower is in the hands of the Prime Minister and Minister of Defense and approval expected shortly.

On subject five-power conference, British have some vague doubts as to how specific British interests can be protected. They apparently have in mind using leverage of German assets to obtain satisfaction on property claims, release from nationalization, Jewish claims, etc. They are concerned that in five-power discussion this bargaining weapon might be lost. These were preliminary and not considered reactions as neither Harrison nor Wallinger familiar with technical details. They were also troubled to know how question of German claims would be handled. On this, I said I imagined Austrians would first have to inform Western Powers results of their studies this subject and their proposed line of action. If Austrians could work out satisfactory arrangement with Germans this might be put to five-power meeting, otherwise different arrangement might have to be worked out regarding Western and Soviet Zones.

I said I would recommend that before agreeing to five-power conference my government should have understanding with Austrians as to what steps if any they contemplated taking in five-power conference regarding reduction of forces. I did not believe that we should agree to such a conference if Austrians were going to make a proposal which would in effect allow Russians to determine numerical level of our forces. For this reason, I attached importance to taking up use of Austrian manpower first since realization by Austrian Government that we did in fact have plans for the defense of Austria would make them less likely to press us to reduce our forces. British expressed understanding this point of view.

British also appear to have misunderstood nature and extent of our heavy weapons training program and were reassured by my description. They were sympathetic with my opinion that by the time of the next Austrian budget the Austrians should openly reveal at least some expansion of the *gendarmérie*.

ALDRICH

No. 921

763.00/5–1754: Telegram

The Acting United States High Commissioner for Austria (Yost) to the Department of State [1]

CONFIDENTIAL VIENNA, May 17, 1954—midnight.

2846. Soviet High Commissioner this morning summoned Raab and Schaerf to Imperial Hotel where, flanked by Kudryavtsev and Kraskevich, lengthy condemnation of Austrian Government was delivered. Despite Allied decisions to contrary, coalition parties, their "lying and provocative press", and particularly Minister Interior Helmer guilty of intensified hostility to Soviet element, Ilyichev charged. Interzonal relaxations allegedly used by Helmer to smuggle militaristic and anti-Soviet literature into Soviet zone which not only tolerated, but encouraged by government. Helmer defiance of recent Soviet poster removal order cited. Austrian Government also accused of supporting "Fascist and militaristic veterans rallies" at which "fatal *Anschluss* doctrine" promoted. Ilyichev denounced "hostile activities" Austrian Government as violation four power agreements which, Rabb reminded, were still in effect until treaty. However, Soviet element "will prevent every attempt Austrian Government to violate these decisions", although government "expected to take measures to stop subversive anti-Soviet acts". Soviet High Commissioner concluded that should Austrian Government not do so, "then Soviets themselves will be forced to take necessary measures".

Atmosphere at upbraiding described as hostile, with Chancellor cut short when he asked for copy of lecture, or tried to discuss other problems. Soviet High Commissioner took unprecedented step of releasing text his statement immediately afterwards without notifying Austrians.

Chancellor then forced to issue reply as follows:

Federal Government and Austrian population have all times adhered control agreement with no case of intentional act against any occupying power known to me. Incorrect to say that agencies sponsored by Federal Government agitate against USSR. Also incorrect to allege militaristic, or provocative literature smuggled into Soviet Zone since zonal relaxations. Austrian Government and Minister Interior not responsible for recent distribution anti-Soviet leaflets in cyrillic alphabet. Austrian Government never sponsored veterans gatherings. Assertion that Austrian Government supports *Anschluss* propaganda without foundation.

---

[1] Repeated to Paris, London, and Moscow.

Austrian population suffers occupation with great forbearance and Austrian Government deals impartially with all four powers. There exists no provocation against Soviet military, although recent troop incidents disquiet population. Not to be forgotten that these incidents more numerous of late and have cost lives Austrians.

As for Minister Interior, it can not only execute command individual occupation authorities, but must adhere control agreement and above all, like entire Federal Government, obey Austrian laws. Minister Interior adheres these rules and promotes no propaganda hostile Soviets. Understandable that Austrian people want their freedom and unavoidable that nine year occupation stimulates expression popular will. Soviet statement to be presented to Cabinet tomorrow.

Embassy views Soviet charges as but next step in calculated plan of attack on Austrian Government in implementation *Anschluss* and remilitarization themes. With Helmer as chief target, Soviets also hope to weaken government authority and particularly police in Soviet Zone. Although Embassy does not believe Soviets now aiming at partition, obvious strong case being made for partial or general resumption zonal controls.

YOST

No. 922

763.00/5–1854: Telegram

The Acting United States High Commissioner for Austria (Yost) to the Department of State [1]

SECRET VIENNA, May 18, 1954—7 p.m.

2857. Helmer, Figl, Kamitz, Pittermann expressed confidence today that Austrian Government can handle latest Soviet attacks (Embtel 2846 [2]). Cabinet session May 18 approved Raab's press statement denying Soviet allegations, and ordered parliamentary debate May 19. Coalition party spokesmen, led by Raab, planning to use Parliament session to reject Soviet charges and threats. Austrian Government evidently convinced that situation can best be met by moderate but firm rejection of Soviet allegations.

During call on Helmer today, I assured him US prepared to offer any support he may need to withstand Soviet pressure. He did not appear unduly concerned over situation. Helmer believes it is still too early for full appraisal Soviet motives and intentions. Available

---

[1] Repeated to Paris, London, and Moscow.

[2] *Supra.*

evidence suggests to him essentially local motives for recent Soviet outburst, e.g., unrest among Soviet occupation troops; pique at "little Austria's" defiance in contrast with certain "great powers" deference to Soviets at Geneva; and closer coordination between Soviets and local Communists. Helmer regards "closer observation" of zonal frontiers by Soviets as possible consequence, together with ban on German tourists and Soviet effort exercise greater control over *gendarmérie* (which Helmer confident he can resist). Figl and Pittermann also regard Soviet threat as primarily local matter which they know how to handle. Kamitz, on other hand, sees possible tie-in with Geneva and Far Eastern events.

While Embassy cannot accept without reservations optimistic attitude of Austrian officials toward new Soviet move, we do not believe this heralds any drastic change in Soviet policy toward Austria and it is certainly not to be interpreted as indication that Soviets aim at partitioning the country. Since Berlin, in Austria as well as elsewhere in the world, propaganda advantages have fallen to western powers owing to the adamant Soviet demands for the retention of occupation troops here. Neither before Berlin nor after have Soviets used the full resources of their propaganda machine to justify the Soviet Berlin stand on Austria. We believe that one motivation behind this present Soviet action is an attempt to regain propaganda initiative and to seek broader justification of their unpopular, hard-to-explain policy on Austrian state treaty.

On other hand Soviets may have felt some concern recently with post-Berlin developments in Austria. Raab, who last summer showed tendencies to desire quiet bilateral negotiations, has been forced by events to speak out openly against Soviet policy. The Austrian Government has exhibited a spirit of independence and a tendency to ignore the occupying powers which the Soviet element may be concerned to check at an early stage.

Embassy does not believe, however, that this Soviet action motivated entirely by local considerations. Probable Soviets hope by these charges and threats not only to apply brake to Austrian Government's policy of closer association with various forms European integration movement and cooperation with western occupying powers but to cause British and French to move slowly in matters concerning Austria. Also by playing on French fears of Germany and future of Austro-German relations, they may hope to add one more obstacle to conclusion EDC.

In sum, Embassy believes Soviets may be prepared to go as far as partial or general reimposition of zonal check points and to attempt exercise greater pressure on and control over police and *gendarmérie* in Soviet zone, but we doubt that Soviets are prepared to

take measures which would result in a crisis of major proportions in Austria.

YOST

No. 923

763.00/5–1754: Telegram

The Secretary of State to the Embassy in Austria [1]

SECRET PRIORITY WASHINGTON, May 19, 1954—4:39 p.m.

3369. Re Vienna's 2846. [2]

1. Obvious Soviet attempt intimidate Austrian Government calls for firm West action along following lines:

(a) *Publicity.* Public attention should be drawn to Soviet attempt, on basis of cooked-up charges partly rehashed from those which found no credence in Allied Council in 1950 and all cut from same whole cloth, to terrorize Austrian Government and threaten Ministry of the Interior which, by its control of the police exercises authority of that Government guaranteed by the Control Agreement. Their threat reimpose controls over movements goods and persons not justified by reasons they give and violates intent Article IV of Control Agreement. If Soviets had well-founded charges Allied Council would be place to make them and we would there give them attention they deserve. Unilateral action by Soviets entirely unwarranted and can only be construed as effort impair authority Austrian Government whose peaceable and democratic nature recognized generally. At present when critical events around world draw public attention elsewhere it is necessary to give public emphasis to foregoing position. Department's initial reply to press May 18 contained Deptel 3555 to Vienna. [3] USIA resources will be used promote similar line and we hope it will be reflected in influential foreign media. Statement by Secretary (Deptel 3360 to Vienna [4]) being given press with some amendments (reported separately [5]).

---

[1] Drafted by Freund, E.P. Allen, and Appling, and cleared by J.W. Jones, Barbour, and Bonbright. Repeated to London, Paris, Moscow, and Geneva.

[2] Document 921.

[3] Telegram 3355 quoted a Department of State spokesman who described Soviet actions as obvious attempts to intimidate and discredit the Austrian Government. (763.001/5–1854)

[4] Telegram 3360 transmitted the text of a draft press release under consideration for possible release on May 19. (763.00/5–1854) For text of the Department of State press release issued on May 20, see Department of State *Bulletin*, May 31, 1954, p. 824.

[5] Reference to telegram 3371 to Vienna, May 19, which contained the amendments to the proposed press release. (763.00/5–1954)

(b) *Counterattack and support Austrian Government by West in AC.* Allied Council meeting should take up on U.S. initiative Soviet charges and threats. Meeting would be justified by Soviet charges Austria has failed comply with Allied Council directives and as protective measure in support authority Austrian Government in face Soviet threat unilateral action. Our position might be helped if Chancellor addressed letter to AC amplifying his reply to Ilyichev and appealing for support of authority Austrian Government guaranteed by Control Agreement. This AC debate could show lack any justified basis for Soviet action but tripartite consideration should be given to countermeasures anticipating Soviets may nevertheless proceed to take unilateral action not authorized by 4-power agreements or by reasonable interpretation Article 2,d of Control Agreement.

(c) *Action to Avoid Basis of Charges.* While maintaining all measures necessary to security West and Austria and abandoning no significant element of Austrian independence we might avoid any unnecessary steps which might justify Soviet retaliation. As for Austrians, we doubt there would be any need convince present Government to avoid intentional provocation. Your views of foregoing and any other steps in this direction desired.

DULLES

No. 924

763.00/5-2054: Telegram

The Acting United States High Commissioner for Austria (Yost) to the Department of State [1]

SECRET VIENNA, May 20, 1954—7 p.m.

2883. Re Deptel 3369. [2] Embassy is in agreement with Department's view Soviet attempt to intimidate Austrian Government should be met by firm action on part western powers. We are also in agreement with the Department's instructions under paragraphs a, b, and c.

As reported in Embtel 2866, [3] French supported by British were particularly desirous to have letter from Chancellor to AC which

---

[1] Repeated to London, Paris, Geneva, and Moscow.

[2] *Supra.*

[3] Telegram 2866 reported that the British and French High Commissioners objected strongly to a special meeting of the Allied Council but rather preferred taking this matter up at the next regular meeting of the Council on May 28. (763.00/5-1954)

would be helpful in establishing basis for discussion of this subject at AC meeting on May 28. Therefore, as chairman of the AC and acting on behalf of all three western powers, I called on Figl this morning and suggested that such a letter might prove helpful if the Austrian Government desired to address itself to the AC. I said, however, we intended to proceed whether the Austrians thought it desirable to send a letter or not.

This afternoon a draft letter was submitted to us which merely transmitted to the AC the text of Raab's speech in Parliament May 19 "in the interest of a smooth cooperation between the AC and that Austrian Government". Draft letter concluded that "Austrian Government puts great value on removing misunderstandings which could endanger good relations between four Allied occupying powers and Austria."

I saw Figl and Kreisky at end afternoon, who meanwhile had received from Embassy copies of Secretary's statement to be released today. Both argued that a letter was (1) unnecessary, and (2) in view Secretary's public instruction to US element to raise question in AC, Austrian letter arriving in AC after such announcement would be open to Soviet charge Austrians merely acting on instructions Americans. I reiterated argument in favor of sending letter particularly emphasizing French desire but did not press them since it was obvious from the draft submitted earlier that the Austrian Government was reluctant to place itself in the "middle". I left matter open by saying I would report Austrian decision to British and French High Commissioners.

At tomorrow's executive committee meeting US representative will under "any other business" state that under instructions US Government, Acting US High Commissioner requests consideration by AC on May 28 Soviet allegations that Austrian authorities have contravened control agreement and other quadripartite decisions. This will serve to put this item officially on agenda for next AC meeting.

Three western High Commissioners will meet first part of next week to discuss tactics at AC meeting. At that time we shall give consideration as requested Deptel 3369 to possible countermeasures which may be necessary to anticipate any Soviet actions.

YOST

No. 925

763.00/5-2154: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State [1]

SECRET PRIORITY Moscow, May 21, 1954—9 p.m.

1450. We are inclined to agree with Vienna's estimate (2857 to Department, repeated information Moscow 156 [2]) of immediate origin Soviet attempts intimidation (Department telegram 734 [3]). It appears to be in part, at least, motivated by desire to buttress Soviet thesis that Anschluss is real danger in order to attempt to justify Soviet unwillingness to withdraw troops together with typical big power arrogance in face of Austrian spirit. Tass despatch in *Pravda* today (Embassy telegram 1446 [4]) appears to confirm this view. However, whatever its motivation, unless actions of this kind are dealt with firmly in opening stages they can of themselves develop along much more serious lines. Chief purpose, therefore, of Western action would be to bring about cessation of Soviet threats and all other considerations should be subordinated to this end. It is for this reason, that we are inclined to believe that publicity should not be overdone and that chief action should be firm and united Western position in support of Austrian Government in Control Council. Publicity up to certain point is essential ingredient of Western position, but it should be handled with care in order not to raise, unnecessarily, prestige issue which might make it more difficult to compel Soviet Government to abandon its present threats.

BOHLEN

---

[1] Repeated to Vienna, London, Paris, and Geneva.

[2] Document 922.

[3] Same as telegram 3369 to Vienna, Document 923.

[4] Telegram 1446 summarized Soviet press reports, including statements about pro-*Anschluss* propaganda issued by the Austrian Government. (961.61/5-2154)

No. 926

763.00/5–2654: Telegram

The Acting United States High Commissioner for Austria (Yost) to the Department of State [1]

SECRET VIENNA, May 26, 1954—9 p.m.

2921. Re Deptel 3369 and Embtel 2883. [2] Austrian top officials believe that Secretary's public instructions have had salutary effect on Soviet attitude and consider Soviet element not prepared to develop to major proportions present controversy. They base this estimate on recent conversations with Soviet HICOM and other Soviet officials here. British and French also share this Austrian view and in our meetings in preparation for AC meeting on May 28 [3] have urged restraint and moderation. There is every indication that, unless provoked by Soviets, their own comments will be extremely mild. They do not desire at AC to discuss substance of Soviet charges but will offer to discuss at appropriate directorate level evidence Soviets may desire to present.

We are not so sanguine that Soviet elements will not continue to press charges and make them a major issue. However, we do think Secretary's statement has been most beneficial and in our opening remarks at AC meeting on Friday we intend to lay most emphasis upon (1) Soviet unilateral action on matters which affect Austria as a whole and (2) threat of limitation to Austrian independence highlighted by Secretary. We have framed resolution which in effect reaffirms control agreement and necessity avoiding unilateral action which, without sanction in control agreement, would infringe Austrian rights and sovereignty. Although doubtless Soviet element will not accept resolution, it will reemphasize concern with which we regard their charges and provide us opportunity appropriate publicity.

YOST

[1] Repeated to London, Paris, Geneva, and Moscow.

[2] Documents 923 and 924.

[3] The minutes of the Allied Council meeting of May 28, 1954, are in ALCO records, lot 62 F 9, "Allied Commission Minutes—1954".

No. 927

Editorial Note

Chancellor Julius Raab arrived in London on June 16 for a 4-day visit which, according to Embassy officials in London, was designed

to show Raab "the high esteem in which he and the Austrian people were held by the British Government and people and to demonstrate the importance which Her Majesty's Government attaches to Austria attaining full independence." Embassy officials concluded that the visit "entirely satisfied" Foreign Office officials even though "no matters of any substantive importance were discussed." (Despatch 4212 from London, June 30, 033.6341/6–3054)

No. 928

EUR files, lot 59 D 233, EUR subject files

The Secretary of State to the Secretary of Defense (Wilson) [1]

TOP SECRET [WASHINGTON, July 1, 1954?]

DEAR MR. SECRETARY: The Department of Defense has informally requested the views of this Department on the question of redeploying the TRUST forces to Austria, in view of the possibility that we may be approaching a solution to the Trieste problem. I have reviewed the matter and have concluded, after weighing the various political factors involved, that there is no objection to the transfer of the major part of the United States forces now in Trieste to the U.S. Zone of Austria at such time as it becomes possible to withdraw them from Trieste. [2]

It is my understanding that approximately 3,000 military personnel are involved, that the troops in question have few dependents, and that no significant housing problem such as was mentioned in my letter of October 24, 1953, [3] would be created by their transfer to Austria. It would help to minimize the political reactions of the augmentation of our forces in Austria if the troops could, after their departure from Trieste, be phased into Austria gradually and ostensibly as replacements. Also, if it were found possible to send at least a token number of troops to some station in Europe other than Austria, our position would be enhanced, I believe, by thus

---

[1] Drafted by E. P. Allen and Freund and cleared with J. W. Jones and Palmer. Attached to the source text was a memorandum by Merchant, dated June 30, describing the background to this letter and recommending that the letter be signed. A handwritten note also attached to the source text indicated that Secretary Dulles had signed the letter and that it had been forwarded to the Department of Defense.

[2] The Embassy in Vienna recommended the position outlined here. These views were transmitted to the Department of State in telegram 3102, June 18. (763.0221/6–1854)

[3] Not printed. In it Secretary Dulles noted that the transfer of military dependents to Austria in addition to the TRUST forces would have a direct impact on the Austrian housing problem. (763.5/10–2453)

being able to state that only part of the U.S. troops from Trieste had been transferred to Austria.

If you should decide in favor of redeployment to Austria, I should appreciate being informed sufficiently in advance, in order that we may inform the appropriate foreign governments in regard thereto before the actual transfer of troops to Austria takes place.

Sincerely yours,[4]

[4] The source text is unsigned.

No. 929

Editorial Note

Beginning July 9 unusual rain and melting snow caused heavy floods in the Danube River basin resulting in the loss of lives, the destruction of homes, and the devastation of farm crops in Austria. On August 12, President Eisenhower issued a memorandum offering up to $4 million worth of agricultural commodities for emergency assistance to the flood-stricken areas of Central Europe. The first shipment of United States relief cargo comprised of fodder corn was sent to Austria in early September, followed by others in subsequent weeks. Theodor Koerner, the President of Austria, sent President Eisenhower a letter thanking the American people for their generosity; the text of this letter was released by the White House on September 4. For texts of various Department of State and White House press releases concerning the floods in Central Europe, see Department of State *Bulletin*, August 2, 1954, page 165; August 9, 1954, page 197; and October 4, 1954, pages 490–491. For text of the White House announcement concerning the food commodity assistance, see *ibid.*, August 23, 1954, page 271; for text of President Koerner's letter, see *ibid.*, October 11, 1954, page 540.

No. 930

663.001/7-1254: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

CONFIDENTIAL WASHINGTON, July 15, 1954—7:01 p.m.

310. Re Austrian Treaty Question. USUN reports UK Delegation advises Foreign Office "red hot" to get Austrian Treaty item on agenda 9th GA, that failure Berlin Conference and subsequent repressive actions by Russians in Austria made this cold war best bet in forthcoming Assembly but that Foreign Office preferred hit hard only on this cold war item.

Department favorably disposed in principle toward making this one of cold war items in next GA although not prepared agree this should be only one. However as suggested Vienna's 76 repeated London, [2] Embassy requested discuss with Foreign Office along lines Deptel 53 to Vienna [3] in order give Department necessary information on which base position. In this connection do British have in mind proceedings essentially along lines 1952 debate ending with appeal to four powers for speedy conclusion treaty possibly with request for subsequent report? Or do they have in mind going further, possibly with (a) debate going more fully into substance of treaty ending with endorsement of certain principles; or (b) appointing some sort committee or individual charged with task assisting governments concerned reach agreement? Latter alternatives not yet explored here.

DULLES

[1] Drafted by W. P. Allen, Mangano, and Stein, and cleared by E. P. Allen and Popper. Repeated to New York, Vienna, Paris, and Moscow.

[2] Telegram 76 recommended that information on British views pertaining to this subject be obtained from the British Foreign Office, not the British Embassy in Vienna. (663.001/7-1254)

[3] Telegram 53 requested information from the Foreign Office concerning the manner in which this item would be introduced in the U.N. General Assembly debate. (663.001/7-254)

No. 931

Editorial Note

On July 19, the International Bank for Reconstruction and Development announced its first loan to Austria. This loan, equivalent to approximately $12 million, was to help finance the Reisseck-Kreuzeck hydroelectric power project under construction in

southern Austria. Regarding this loan, see Department of State *Bulletin*, August 9, 1954, page 210.

No. 932

663.001/7–2054: Telegram

The Secretary of State to the Embassy in Austria [1]

CONFIDENTIAL WASHINGTON, July 29, 1954—7:17 p.m.

278. Despite U.K. "second thoughts" re placing Austrian treaty item on agenda next GA (Vienna's 164 [2]) Department becoming increasingly convinced desirability such a move from cold war point of view in anticipation particularly difficult propaganda battle with USSR at forthcoming session. Austrian item on UN agenda would be especially desirable if as anticipated Western powers reject Soviet proposal July 24 [3] and if as seems possible Soviets should reject Austrian proposal for alleviation occupation burdens. This is matter on which USSR specially vulnerable and over-all Western position very strong. We anticipate intensified Soviet propaganda campaign both before and during GA in favor Molotov proposal for European collective security pact. One of most persuasive answers is that any such proposal is meaningless so long as Soviets persist in maintaining divided Germany which any such pact would perpetuate and preventing return true sovereignty to Austria. GA consideration Austrian treaty item would provide opportunity continue hammer away at this theme. Consideration Austrian treaty item would help us keep before public mind Soviet intransigence and responsibility failure Berlin conference thus helping counter Soviet claims success at Geneva.

Therefore desire explore question further with British French and subsequently with Austrians if British and French agreeable including type UN action which might be taken. Of three possibilities mentioned Deptel 310 London [4] our present thinking is mere reaffirmation previous GA appeal would be insufficient. However any introduction UN Good Offices machinery seems undesirable.

---

[1] Drafted by W. P. Allen and E. P. Allen, and cleared by Taylor, J. W. Jones, and Elbrick. Repeated for action to Paris and London and for information to Moscow and New York.

[2] Telegram 164 reported that the British and French believed that the inscription of the Austrian item on the U.N. General Assembly agenda had more disadvantages than advantages. (663.001/7–2054)

[3] For text of the Soviet note concerning matters relating to European security, see Department of State *Bulletin*, Sept. 20, 1954, pp. 398–401.

[4] Document 930.

We thus inclined towards third alternative under which GA would endorse certain basic principles on which Austrian treaty should be based.

Text report to UN transmitted Vienna despatch 14 [5] under revision here and if agreeable with British and French suggest coordination revised text in Washington because UN aspects. Vienna authorized join British and French in informing Austrian Government our intention transmit report UN.

All addressees requested take necessary action. [6]

DULLES

[5] Despatch 14 transmitted to the Department of State the text of a report prepared for inscription on the agenda of the General Assembly scheduled to convene in September 1954. The text had been agreed among the U.S., British, and French Embassies in Vienna and was forwarded to their respective governments for approval. (663.001/7-654)

[6] In response, the Embassy in Paris reported that the French were not sympathetic to the idea of placing the Austrian item on the U.N. General Assembly agenda. (Telegram 459, Aug. 2, 663.001/8-254) Likewise, the Embassy in London reported opposition unless the Austrians wanted it done. (Telegram 607, Aug. 4, 663.001/8-454) The three Western High Commissioners in Vienna agreed that the final decision concerning the inscription of this agenda item should be made by the Austrians. (Telegram 367, Aug. 11, 663.001/8-1154)

After further revision of the text of the draft report by a Tripartite Working Group in Washington, the Embassy in Vienna was instructed to submit the text of the new draft to the Austrian Government for its reaction. (Instruction CA-1708, Sept. 8, 663.001/9-954) The position of the Austrian Government was one of favoring the circulation of such a report and its publication, but opposing its inscription at that time. (Telegram 745 from Vienna, Oct. 2, 663.001/10-254) After further revisions in October and early November, the Governments of the United States, the United Kingdom, and France agreed to submit a report to the United Nations on Nov. 19, 1954, concerning the Austrian Treaty negotiations. For text of this report, see Department of State *Bulletin*, Dec. 13, 1954, pp. 907-909. Documentation concerning the Tripartite Working Group and the drafting and revision of this report to the United Nations is in file 663.001.

No. 933

Editorial Note

In reply to a note from the Austrian Government of July 22 proposing the establishment of a five-power committee in Vienna to consider possible alleviation of the existing occupation of Austria, the United States delivered a note in Vienna on August 7 which stated its acceptance of this proposal. For text of the United States note of August 7, see Department of State *Bulletin*, August 30, 1954, pages 309-310.

No. 934

S/S–NSC files, lot 63 D 351, NSC 164 Series

Memorandum Prepared by the Operations Coordinating Board [1]

TOP SECRET WASHINGTON, September 15, 1954.

PROGRESS REPORT ON NSC 164/1 [2]

U.S. OBJECTIVES AND POLICIES WITH RESPECT TO AUSTRIA

(Policy approved by the President, October 14, 1953)

A. SUMMARY OF MAJOR ACTIONS

1. A Western offer at the Berlin Conference in February to sign an Austrian treaty including the Soviet versions of the unagreed Articles was not accepted by the Soviets and was subsequently withdrawn. The Western powers and Austria rejected Soviet proposals to conclude a treaty providing for (1) retention of occupation forces in the zones; (2) withdrawal of occupation forces from Vienna, and (3) Austria's neutralization.

2. Following coordination with the West, Austria proposed on July 22, a five power committee in Vienna to consider alleviation of occupation burdens. The Western Governments accepted this Austrian proposal but it was rejected by the Soviet Government which proposed instead the resumption of treaty negotiations based presumably on their Berlin proposals.

3. In unilateral efforts to alleviate Austria's burdens, the U.S. has (1) turned over to Austrian control the Linz and Salzburg stations of our radio network; (2) agreed in principle to an increase in the transportation rates paid by us in Austria; and (3) obtained a Congressional appropriation of $1,000,000 for the construction of dependents' housing in Vienna. In addition, emergency assistance has been provided to relieve the situation caused by the July floods.

---

[1] Attached to the source text was a covering memorandum by Elmer B. Staats, Executive Officer of the Operations Coordinating Board (OCB), dated Sept. 17, to James S. Lay, Jr., Executive Secretary of the National Security Council, informing him that this was the second progress report on the implementation of NSC 164/1 and that it covered the period Jan. 20, 1954, through Aug. 24, 1954. For text of the first progress report, see Document 908.

Also attached to the source text was a memorandum by Lay to the members of the NSC, dated Dec. 29, which noted that this memorandum was being circulated for information and that it was not scheduled for the Council's agenda because it made no substantive recommendations.

A copy of this progress report is also in OCB files, lot 62 D 430, "Austria".

[2] Document 895.

4. Soviet threats against the Austrian Government in May were countered by airing the matter in the Allied Council on U.S. initiative. Except for the reestablishment of Soviet zonal border checks on two occasions, and occasional stoppage of German tourists in the Soviet zone, Soviet threats have not been carried out.

5. As a further step toward meeting its obligations for trade liberalization under the OEEC code, in June 1954 Austria raised the level of imports from the EPU area which are not subject to quantitative restrictions from 50% to 75%.

. . . . . .

(For detailed development of NSC courses of action, see Annex "A" [3]).

B. OPERATIONAL CONSIDERATIONS BEARING ON POLICY

7. In the opinion of the Working Group on Austria, NSC 164/1 remains effective, timely and capable of continuing implementation.

C. EMERGING PROBLEMS AND FUTURE ACTIONS

8. Study is being given to the likelihood that we may be faced in the near future with the problem of modifying our position on the Austrian treaty negotiations. The Austrians are expected to be increasingly resentful of any refusal to negotiate and British and French support of the Austrian position is anticipated. This study will give consideration to the possibility of renewed negotiations on the basis of the Soviet Berlin proposals which would, presumably, be the only basis upon which negotiations could be reopened. The U.S. Berlin position will, in the meantime, be maintained and all efforts will be made to prevent a deterioration of the *status quo*.

9. Tripartite consideration, in consultation with the Austrians, is being given to inscribing the Austrian item on the UNGA agenda this fall and to submitting to the UNGA a tripartite report on Western efforts to conclude an Austrian treaty in response to UNGA Resolution of December 1952. [4] Aside from its propaganda value it is hoped that this action would serve to strengthen Austrian willingness to resist possible Soviet overtures to renew treaty negotiations or to engage in bilateral negotiations.

10. The Working Group on Austria believes that it would be preferable to leave until after the event as little as possible of the planning necessary to cope with the sort of situations envisaged in

---

[3] This 10-page annex, not printed, gives a detailed accounting of major actions related to paragraphs 16a through 21 of NSC 164/1.

[4] See Document 840.

paragraphs 17f, g and h of the Courses of Action. It has, therefore, agreed upon the study described in paragraphs 17f, g and h *infra*. It remains a question as to how much useful advanced planning is possible, but it is believed worthwhile to examine the specific situations that might arise and at least to attempt to plan to meet them. The decision to undertake this study does not imply that the Working Group foresees any early Soviet action to partition Austria, blockade Vienna, or make illegal use of armed force. Such actions, however, are always possible and the Soviet behavior mentioned in 17a (5) *infra* could have represented initial steps toward partition.

11. Notwithstanding the progress that has been made in building up the Austrian *gendarmérie*, the problem of the defense of Austria against full-scale Soviet attack, the maintenance of the U.S. position in this area, and the protection and support of the southern flank of NATO is a matter of continuing concern. The long-awaited settlement of the Trieste situation and the development of the Balkan Pact, consistent with U.S. and NATO planning, can contribute substantially to easing this concern but until this planning is more fully developed, the need for adequate security in the area, particularly in the light of the unilateral British and French withdrawals late last year, remains critical.

D. EXTENT OF AGENCY INTERESTS

12. No other executive department or agency has had a significant role or interest in the activities of the Working Group.

No. 935

763.0221/10–2154: Telegram

The Secretary of State to the Department of State [1]

TOP SECRET PARIS, October 21, 1954—3 a.m.

Dulte 3. Eyes only Acting Secretary from Secretary. In meeting at residence following Four-Power meeting [2] I raised with Eden possibility redeployment in Austria some or all UK troops now in Trieste. I told him I wished to speak further with him on this matter after I had had opportunity to talk with Gruenther. Eden promised consider matter with his advisers, but his reaction at first blush was that in absence any organized units in UK, pressures

[1] Repeated to Vienna eyes only for the Ambassador.

[2] Secretary Dulles was in Paris to attend the Four-Power, Nine-Power, and North Atlantic Council Ministerial meetings which took place from Oct. 20 through 23.

would be extremely strong to bring all forces now in Trieste back to England.

DULLES

No. 936

763.5/10-2154: Telegram

The Secretary of State to the Department of State [1]

TOP SECRET PARIS, October 21, 1954—5 p.m.

Dulte 7. For Acting Secretary pass President and Wilson from Secretary. Have discussed Trieste troops with Gruenther. He points out that there is no question of sending US troops now to hold critical pass as it is in UK zone. They would go to Salzburg and strengthen US zone forces and some would be trained and prepared to move south to passes if war broke out.

Under these circumstances I suggested to Eden that we might strengthen our Austrian forces by equivalent of about two battalions if they would station one battalion at actual pass. Eden has promised to study and consider with Nicholson who will be here tomorrow. I am skeptical of UK acceptance and believe solution acceptable to Gruenther will involve some strengthening of US zone in Austria. In this connection I believe framework of Anderson's proposal could be used.

DULLES

[1] Repeated to London eyes only for the Ambassador in telegram 2372 of Oct. 27. (763.0221/10-2354)

No. 937

763.0221/10-2354: Telegram

The Secretary of State to the Department of State [1]

TOP SECRET PARIS, October 23, 1954—11 a.m.

Dulte 14. Limited distribution. General Gruenther and I spoke to Eden and Macmillan with reference to the Trieste troops. They said it was entirely out of the question that their troops from Trieste should be sent back to Austria. They had been promised that they would be brought home, and that promise would have to be

[1] Repeated to London eyes only for the Ambassador in telegram 2372 of Oct. 27. (763.0221/10-2354)

carried out. If any troops were to be sent, they would have to be found elsewhere. Gruenther urged that they should try to find at least a battalion to hold the passes, saying that he understood the US would then send at least two battalions to reinforce our Austrian sector with a mission to join the British at the passes in the British Zone if trouble broke out.

Macmillan said that there was no place left for the British to stay, as their barracks had all been turned over to the Austrians. However, he would look into the matter.

My impression is that the odds are strongly against their sending any more troops into Austria.

DULLES

No. 938

763.5/11-254

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Director of the Office of Western European Affairs (Jones)

TOP SECRET [WASHINGTON,] November 2, 1954.

Mr. Hoover and I talked this morning on the telephone to Bob Anderson concerning the redeployment of US forces now departed Trieste. He confirmed that the White House decision [1] taken yesterday was to send into Austria under General Arnold the equivalent of the battalions who would occupy additional "spaces" and bring the US forces in Austria above strength. Anderson said that the unit which had been in Trieste would absorb short service enlisted men from Europe and return to the United States as a unit.

This decision, according to Anderson, was taken without reference to the final British answer on the Secretary's suggestion that we send in two battalions to Austria and the British send in one. The feeling, however, was that we should go ahead with our final effort to secure British agreement and Anderson was holding up

---

[1] On Nov. 2 in telegram Def 970364 to General Gruenther at Paris, Deputy Secretary of Defense Anderson described this meeting as follows:

"The deployment of troops from Trieste was discussed at highest levels yesterday with Secretary of State and Secretary Wilson both present. Your strong feeling of the importance of the troops being deployed to Austria was pointed out together with General Ridgway's feeling concerning the desirability of deploying the troops as a tactical unit. It was decided after discussion that from 1,500 to 2,000 additional spaces with necessary arms and equipment should be made available to General Arnold for organization into such existing or other units as you might recommend and provided that such spaces would not entail additional construction of housing or barracks for troops or dependents." (Department of Defense files)

the telegram triggering this entire move until we had word from Ambassador Aldrich of the British Cabinet decision through Mr. Macmillan.

No. 939

763.0221/11-454: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State [1]

TOP SECRET PRIORITY LONDON, November 4, 1954—11 a.m.

2205. Eyes only Secretary. Reference Embassy telegrams 2122 [2] and 2167 [3] (repeated information Paris 302 and 307, Rome 254 and 250 and Vienna 53 and 54).

Foreign Office advised Embassy yesterday that HMG could not augment its forces in Austria by use of troops released from Trieste or otherwise. Usual reasons were cited, i.e., need for troops elsewhere, burden which requisitioning quarters would impose on Austrian economy and political problem this would create for UK in its relations with Austria, financial difficulty, and difference, as Foreign Office understands it, in US and UK military views concerning role of forces in Austria and their deployment there for strategic purposes. [4]

ALDRICH

---

[1] Repeated to Paris, Vienna, and Rome eyes only for the Ambassadors.

[2] Telegram 2122 reported that Eden would talk with Macmillan about this matter to find out what his final decision was. (763.0221/10-2954)

[3] Telegram 2167 reported Macmillan's statement that he would be talking with Eden on Nov. 2 and that the matter would be discussed by the Cabinet on Nov. 3. Once the decision had been made, Macmillan agreed to inform Aldrich immediately. (763.0221/11-254)

[4] Excerpts from letters sent to Ambassador Aldrich by both Eden and Macmillan expressing regret that the British Government was not able to meet the wishes of the U.S. Government on this issue were transmitted to the Department of State in telegram 2318 from London, Nov. 12. (763.0221/11-1254)

No. 940

763.0221/11-1854: Telegram

The United States High Commissioner for Austria (Thompson) to the Department of State [1]

TOP SECRET VIENNA, November 18, 1954—1 p.m.

1084. Pass G–3 DEPTAR. General Arnold and I saw Raab and Figl this morning. Raab stated that by agreement with Schaerf, he would neither be making nor asking any commitments during his trip to Washington.

General Arnold informed him of the plan to bring some Trieste troops to Austria. Raab merely commented that there was no limitation on the size of our forces here and seemed well satisfied with the General's explanations concerning housing and total strength.

. . . . . .

We also raised question of rail rates and Raab said he would ask Schaerf and Waldbrunner to endeavor to settle this problem during his absence. Kamitz had told me a few days before that he thought the Cabinet had not accepted our proposal because they were not convinced that this was as far as we could go and that, if we could make clear to Raab no further bargaining on rates was possible, Austrians would settle the question. We made clear that we had made our maximum offer.

THOMPSON

[1] Repeated to Paris for Reinhardt.

No. 941

Editorial Note

In the fall of 1953, the Department of State considered a proposal by the Embassy in Vienna to invite Chancellor Julius Raab to Washington for a visit but the decision was postponed because of plans for the pending four-power conference in Berlin scheduled for January 1954. When the Berlin Conference resulted in no progress on the Austrian Treaty, the Embassy again recommended that an invitation be extended to Raab. As stated in telegram 2067, February 16, Acting United States High Commissioner Yost described Raab's mood as one of "disillusionment and bitterness towards Soviets" and pointed out that an invitation would be most encouraging. (763.13/2–1654) In a memorandum to Deputy Under Secretary

Murphy, dated March 4, Bonbright noted that Raab had not previously traveled outside of Europe and stated that if the Department gave Raab a good look at the resources of the United States, United States officials would have better luck in negotiations with him and be in a better position to prevent bilateral negotiations with the Soviets. (763.00/3-454)

Discussions between Department of State officials and Austrian Embassy personnel concerning the possibility of a visit in May took place during the following months. Once it was decided to postpone the visit to the fall, the Department of State instructed the Embassy in Vienna to extend a formal invitation to Chancellor Raab from President Eisenhower to be an official guest for a 1-week visit to the United States including approximately 3 days in Washington beginning November 21. (Telegram 200 to Vienna, July 22, 033.6311/7-2254) The Chancellor accepted the invitation immediately and, following consultation with his Cabinet, sent his formal acceptance to the Embassy on July 30. (Telegrams 192 and 259, July 23 and 30, 033.6311/7-2354 and 7-3054)

Chancellor Raab arrived in Washington on November 21 and met with President Eisenhower, Secretary of State Dulles, and other government officials during the next 3 days. For a record of Raab's meeting at the Department of State on November 22, see the memorandum of conversation by Freund, *infra*. No record of Raab's luncheon meeting with Eisenhower on November 22 was found in Department of State files or the Eisenhower Library.

For text of Secretary Dulles' statement made upon Raab's arrival in Washington and the Chancellor's reply, see Department of State *Bulletin*, December 13, 1954, pages 910–911. For text of the communiqué issued on November 26 following the conclusion of Raab's visit, see *ibid.*, page 910.

No. 942

Secretary's Memoranda of Conversation, lot 64 D 199, "November 1954"

Memorandum of Conversation, by Richard B. Freund of the Office of Western European Affairs [1]

SECRET [WASHINGTON,] November 22, 1954.

Subject: The Secretary's Meeting with the Austrian Chancellor.

Participants: Dr. Julius Raab, Chancellor of Austria
Dr. Karl Gruber, Ambassador of Austria

---

[1] A summary of this meeting was transmitted to Vienna in telegram 1401, Nov. 22, repeated to Paris, London, and Moscow. (033.6311/11-2254)

Dr. Schoener, Director, Political Dept., Austrian Foreign Office
Dr. Karasek, Austrian Foreign Office
The Secretary
Ambassador Llewellyn E. Thompson
Mr. Livingston T. Merchant, EUR
Mr. John Wesley Jones, WE
Mr. Richard B. Freund, WE
Mr. Johannes Imhof, WE (Translator)

The Secretary inquired whether the Chancellor knew if Prime Minister Mendès-France had included in his UN speech today [2] a proposal for an option to extend post-treaty occupation for one year beyond the 18 months to two years we already know was included in his proposal. The Chancellor replied that he was uncertain on that point, but Ambassador Thompson, who had heard the speech, confirmed that no mention of an option was made. The Chancellor said that he had rejected the idea of an option for an extension when it was raised with him by Mendès-France. [3] The Chancellor, referring to Mendès-France's suggestion, during their talks yesterday, of gradual evacuation of occupation forces, said that he was very doubtful of the value of such an idea as he had doubts about the ability of Austria and the West to control that form of evacuation.

The Secretary read to the Chancellor the press statement the Department is planning to make regarding the Austrian portion of Mendès-France's UN speech and asked if the Chancellor would wish to include Austria along with the three Occupying Powers where they were mentioned in connection with careful study of the Mendès-France proposal. (Text of press statement attached.[4]) The Chancellor asked that Austria be so mentioned and the Secretary agreed.

The Chancellor expressed the strong desire that in the final draft of a State Treaty, a fixed calendar date be given for withdrawal of occupation forces rather than, as now provided, a number of days from ratification. The Secretary agreed, saying that an early fixed date was most desirable, as the Soviets could delay deposit of their

---

[2] In a speech before the General Assembly on Nov. 22, Mendès-France rejected the Soviet proposals for a general conference on European security and suggested the possibility of a four-power meeting in May 1955. He stated that one step that could be taken in order to restore confidence between the four powers would be the signing of an Austrian Treaty. He then proposed that Austria accept a time limit of 18 months to 2 years for evacuation after the signing of a treaty, instead of the 90 days provided in the existing draft of the treaty.

[3] Reference to Chancellor Raab's meeting with Mendès-France in New York on Nov. 21.

[4] Not attached to the source text.

instrument of ratification even after ratification so as to hold back entry into force of the treaty. The Chancellor wished to deprive the Soviets of any excuse for delaying troop withdrawal.

The Secretary explained the difficulty he would have in accompanying the Chancellor to the White House at 12:30 and asked if it would be agreeable if Mr. Merchant and Ambassador Thompson accompanied the Chancellor. He agreed at once.

The Chancellor then remarked that there is considerable feeling on the part of people of both parties in Austria that the anniversary of Austrian liberation should henceforth be a national day of mourning, as the next anniversary would be the 10th without Austrian freedom. This spontaneous movement among the Austrian people is disturbing to the Soviets. The Secretary mentioned the impression he has that the Soviets are now somewhat more disposed to grant a treaty. He mentioned one report recently received, but difficult to evaluate, that supports this impression. The report indicates that if the Soviets proceed with new security arrangements within the Soviet bloc, the arrangements might include agreements on stationing of Soviet forces in the satellites, eliminating the need for the LOC provisions now in the Hungarian and Romanian peace treaties that were contingent upon continued Austrian occupation. That, the Secretary said, might make it easier for the Soviets to agree to an Austrian State Treaty. The Chancellor averred that the legal situation does not seem to be so important to the Soviets who always control the satellite armies and therefore are within 60 kilometers of Vienna in any event.

The Chancellor remarked that Ambassador Thompson could testify to the fact that the Austrians have been behaving quite well. The Secretary hoped that the Chancellor realizes how extremely eager the U.S. is to obtain an Austrian treaty. If from our actions it appears that we are stubborn and unyielding, it is, the Secretary said, a matter of tactics—one of the nations on the Western side needs to be that way to offset Soviet stubbornness. The Chancellor interpreted our conduct as maintaining a straight line.

The Secretary expressed his concern over the Jewish Claims question and hoped that it will be settled at an early date. The Chancellor mentioned negotiations having taken place last week without reaching complete agreement. He assured the Secretary, however, that protection will be provided for those whose livelihood is threatened. He added that the Jewish Committee had asked too large a settlement at the beginning, to which the Secretary replied that he was sure that that did not surprise the Chancellor.

The Secretary asked if the Chancellor had any good advice for him. The Chancellor replied that he wished to reassure the Secretary that the Austrian people were well aware of who was responsi-

ble for their failure to obtain a treaty. He wished the U.S. attitude toward Austria to stay just as it is, and hoped that we would bring up the Austrian problem in any conference that should take place with the Soviets and with the Austrian Government represented.

Once the London and Paris accords [5] are complete to the point where it is clear that there will be no turning back, the Secretary said, it will be more useful to have a conference with the Soviets. He said it is the main Soviet objective to prevent the ratification of those accords and so long as that is possible any conference on any subject would be used by the Soviets only as a means of blocking ratification. After ratification, the Secretary believed that a useful conference on Austria and Germany would be possible. Ambassador Gruber asked whether it might not be possible to have a special conference on Austria after ratification. The Secretary replied that that is a possibility worth thinking about. He thought a separate conference might be desirable, recalling the difficulties that arose at Berlin by having Austria as the third item on the agenda coming after feelings had been aroused over the German question. The Chancellor had stated that he has no objections to a meeting on both questions but does not wish to have the two linked.

The meeting concluded so as to permit the Chancellor's departure for his meeting with the President at 12:30. [6]

---

[5] For documentation concerning the London and Paris accords, which resulted from the Nine-Power Conference at London of Sept. 28–Oct. 3, and the Nine-Power, Four-Power, and North Atlantic Council Ministerial meetings at Paris of Oct. 20–23, see vol. v, Part 2, pp. 1294 ff. and 1404 ff.

[6] No record was found of Chancellor Raab's luncheon meeting with President Eisenhower on Nov. 22, but according to telegram 1401 (see footnote 1 above) this meeting was "friendly but confined [to] generalities." For text of the White House statement issued following the luncheon, see Department of State *Bulletin*, Dec. 13, 1954, p. 910.

No. 943

663.001/11-2354: Telegram

The Secretary of State to the Embassy in France [1]

CONFIDENTIAL WASHINGTON, November 23, 1954—3:41 p.m.

1894. Mendès-France's proposal re Austria during UN speech November 22 [2] not inconsistent Austrian offer at Berlin last February

---

[1] Drafted by Freund and cleared by Ambassador Thompson, J. W. Jones, Thurston, and Merchant. Repeated for action to London and for information to Vienna, Moscow, and Bonn.

[2] See footnote 2, *supra*.

or Secretary's statement at closed Berlin conference calling on Soviets for fixed and early date for troop withdrawal after treaty. [3] As indicated Department's 2823 London [4] we see no reason alter reply recent Soviet notes. [5] However timing French proposal and lack thorough advance planning with British, Austrians and ourselves may create problem.

Soviets may seize on Mendès-France's offer as excuse again call for convening ambassadors or similar meeting in Vienna this time to discuss "interesting" French proposal but with actual intention reopen their Berlin proposals. Important therefore we find means make clear at appropriate time to both Soviets and Austrians that Soviet answer to questions Mendès-France raised are expected in diplomatic channels consistent with paragraph X Western replies recent Soviet notes. Request London consult British in attempt assure their support this point. Paris should request clarification from French that foregoing "assumption" correct. If these two *démarches* bring satisfactory results Department will then propose common instructions from three Western capitals to High Commissioners Vienna for informing Austrian Government and will consider best means making situation clear to Soviets.

Foregoing does not imply our unwillingness seek solution Austrian problem prior four-power conference Mendès-France proposed for May so long as any conference on Austria follows ratification Paris accords. As indicated Department's 1401 [6] Department prepared seriously consider Austrian suggestion separate conference Austrian treaty. Our offer to meet at any time to sign treaty on basis Western Berlin proposals of course stands.

DULLES

---

[3] For a record of the meeting during which Secretary Dulles made this statement, see Secto 176, Document 505.

[4] Telegram 2823 recommended changes in the text of the reply to the Soviet notes of Oct. 23 and Nov. 13. (396.1/11-2254)

[5] Reference to the Soviet notes of Oct. 23 and Nov. 13; see Document 531.

[6] Not printed, but see footnote 1, *supra*.

No. 944

663.001/11–3054: Telegram

The Secretary of State to the Embassy in France [1]

CONFIDENTIAL
PRIORITY

WASHINGTON, November 30, 1954—8:15 p.m.

1996. Makins called on Secretary Nov 30 [2] expressing London's concern reported in London's 2459 [3] over project unilateral French approach in Moscow on Austria. Such concern gains support from Mendes' conversation with Jebb reported Paris' 2264. [4]

Makins suggested and Secretary agreed to holding tripartite consultation in London Dec 1 or 2 to concert tripartitely French follow-up if any in Moscow. We are opposed to quadripartite conference ambassadors in Vienna which would almost surely become involved discussion substance treaty. This was proposal we rejected at Berlin Conference.

Upon reflection we are opposed to unilateral French approach in Moscow on this matter and you should make every effort dissuade French from such action. Tactically it seems poor since subject to misinterpretation by Soviets. Moreover we consider it important to maintain solid tripartite front as in past on Austria in dealing with Soviets. Unilateral approach re Austria would also have undesirable implications with respect to Germany. [5]

DULLES

---

[1] Drafted by Merchant and cleared in substance by Secretary Dulles. Repeated for action to London and for information to Vienna, Bonn, and Moscow.

[2] A brief memorandum of this conversation is in file 663.001/11–3054.

[3] Apparently an incorrect citation. Telegram 2459 from London does not concern the subject under discussion.

[4] Telegram 2264 summarized Mendès-France's conversation with Jebb on Nov. 29 as described by British Embassy officials that same afternoon. It reported Mendès-France's statement that U.S. officials had suggested "diplomatic channels" as the best means for any discussion of his proposal but that he had not liked this idea and preferred the medium of the Ambassadors at Vienna and therefore wished a *démarche* to this effect at Moscow. (663.001/11–3054)

[5] In telegram 2288 from Paris, Dec. 1, Ambassador Dillon reported that the French Foreign Ministry had been informed of the Department of State's views as requested in this telegram. (663.001/12–154)

No. 945

663.001/12-154: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

CONFIDENTIAL NIACT PARIS, December 1, 1954—9 p.m.

2305. Re Deptel 1996 [2] and Embtel 2288. [3] Following receipt of word from Chipman [4] as to this afternoon's meeting, Achilles saw Seydoux and reiterated substance of Deptel 1996. Seydoux inquired how Washington would view unilateral French *démarche* in Moscow to effect that statements re Austria in Mendès UN speech not superseded by November 29 tripartite notes [5] but that any views Russians wished to communicate through diplomatic channels other than through exchanges at Vienna would be welcome. We said this appeared to meet Washington's objection to encouragement for quadripartite meeting Vienna but not objection to unilateral approach, and that while proposal also seemed more in line with our desire to emphasize normal diplomatic channels we could not forecast Washington's reaction and that no unilateral approach would be preferable.

Seydoux said that today's meeting in London had been negative from French point of view but inconclusive and Mendès had not decided what to do. He (Seydoux) would recommend to Mendès that if he still felt it necessary to make some *démarche* it be along line suggested above, but he felt that Mendès would not wish to suggest it to Washington if he thought reply would be negative. In response to question as to whether British also being consulted, Seydoux said no but that their attitude in today's London meeting had been less negative than ours.

Seydoux has now telephoned that he has made above recommendation to Mendès but that latter will not reach decision until tomorrow. We would welcome further instructions niact. [6]

We have informed British of above in confidence.

DILLON

---

[1] Repeated to Vienna and London.

[2] *Supra.*

[3] See footnote 5, *supra.*

[4] Norris B. Chipman, First Secretary of the Embassy at London.

[5] For text of the tripartite note to the Soviet Union concerning Soviet proposals pertaining to European security, delivered in Moscow on Nov. 29, see Department of State *Bulletin*, Dec. 13, 1954, pp. 901-902.

[6] In telegram 2008 to Paris, Dec. 1, the Department of State noted its disappointment with the French proposal as outlined in this telegram and emphasized the need to maintain a tripartite front. If Mendès-France continued to insist on a follow-up in Moscow, the Department wanted Embassy officials to get Mendès-France to agree to a tripartite *démarche* by the three Ambassadors there. (663.001/12-154)

No. 946

663.001/12-254: Telegram

The Ambassador in France (Dillon) to the Department of State [1]

SECRET NIACT PARIS, December 2, 1954—noon.

2306. Re Department telegram 2008. [2] I was unable to see Mendès prior to his appearance before Foreign Affairs Committee which commenced at 10:30 this morning. I saw Soutou [3] instead. Soutou said Mendès felt strongly some *démarche* necessary, but he was very pleased with Secretary's suggestion contained in last sentence of reference telegram and said he thought French Government would much prefer *démarche* to be tripartite. He said their only reason for suggesting unilateral approach was that they had not realized that we might be prepared to join them in tripartite approach on this subject. Soutou said that he was accompanying Mendès to Foreign Affairs Committee meeting and would deliver to him your message. I then informed Jebb of what had occurred, Jebb having previously told me that being without instructions, he could not join in any *démarche* to Mendès-France this morning. Jebb thought suggestion for tripartite *démarche* excellent, and is making strong telephonic recommendation to Foreign Office in London that British Government promptly accept this suggestion.

On my return to Embassy, I received phone call from Seydoux who said Mendès-France fully accepted suggestion for tripartite approach. Jebb will contact Quai d'Orsay as soon as he receives answer from London, and if answer is favorable, French expect propose first meeting be held in London this afternoon to discuss form and substance of tripartite *démarche*.

DILLON

---

[1] Repeated to Moscow, Vienna, Bonn, and London.

[2] See footnote 6, *supra*.

[3] Jean Soutou, Assistant Director of the Cabinet of the Ministry of Foreign Affairs after June 1954.

No. 947

663.001/12-354: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State [1]

SECRET NIACT LONDON, December 3, 1954—noon.

2623. Re Deptel 3001, December 2. [2] Eden and top level Foreign Office officials are "very angry" over French unilateral action over Austria. British believe French in Vienna have been talking unilaterally with Austrians and fear latter are slipping. They anticipate also that when Raab passes through Paris in mid-December Mendès will work on him again.

In British view Mendès' United Nations speech is further evidence of his willingness to subordinate tripartite interests to French domestic issues and he has thus added to the distrust with which he is regarded. In attempt scotch further French unilateral action on questions involving relations with Kremlin, British wish to reestablish firm tripartite position on Austrian Treaty and accordingly propose London talks under reference. Main purpose of talks, according British, would be to prevent further unilateral French action by examining pros and cons on extending period of withdrawal in Article 33 of Austrian State Treaty and fixing specific date therefor. While Foreign Office has no fixed position at present it considers that reexamination would reveal more arguments against revision Article 33 than for.

Harrison states that he is to see Chanel this morning and intends "bluntly to inform him that French must put a stop to further unilateral action on tripartite matters."

ALDRICH

---

[1] Repeated to Paris, Vienna, Moscow, and Bonn.

[2] Telegram 3001 informed the Embassy that it was not authorized to participate in the proposed tripartite talks in London pending clarification of the purpose of these talks and the French position on the *démarche* in Moscow. (663.001/12-154)

No. 948

663.001/12-854: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

CONFIDENTIAL WASHINGTON, December 9, 1954—6:24 p.m.

3126. Re London's 2677. [2]

1. Department continues consider proposed tripartite working group undesirable. Embassy should inform British following views in attempt convince them. If British remain determined hold meeting they should realize following will be position US representative.

a. US position remains as in September 10 and November 29 notes [3] though already compromised by Mendès-France's UN speech.

b. Soviets have given no indication readiness sign treaty providing for troop withdrawal at any fixed date.

c. Until Soviet proposal at hand no basis for or context within which to consider such implementing details as troop status and continuation control agreement exist.

d. Implication entering discussion with Austrians on application Mendès-France's proposal would be US–UK acceptance. (FYI and for British same applies to French. Admittedly Mendès-France's proposal has probably established Soviet minimum position as two years between ratification and withdrawal from which point they will expect negotiate upward but we should retain such freedom of action as we have left.)

e. At such time as Soviets commit themselves to satisfactory fixed date for withdrawal, details tripartite position can be developed. Any discussion such details with Soviets or Austrians prior that time would run risk making further concessions to no avail. We will also insist that troop withdrawal date be fixed by Five Powers prior any discussion neutralization question on which for present we do not wish indicate to Austrians we would even consider reviewing our position (FYI and for British same applies to French).

2. Re second para reftel we had in mind three Ministers would discuss over-all problem tripartite solidarity in order achieve clear

---

[1] Drafted by Freund; cleared by Thurston and Merchant; and repeated to Paris, Vienna, Moscow, and Bonn.

[2] Telegram 2677 reported the desire of the British Foreign Office that there be a tripartite discussion in London concerning the Austrian evacuation problem. It was believed that this preliminary discussion would be desirable before Dulles, Eden, and Mendès-France met in Paris to discuss this issue at the time of the NAC meeting in mid-December. (663.001/12-854)

[3] For texts of these two U.S. notes, both of which concerned the question of European security, see Department of State *Bulletin*, Sept. 20, 1954, pp. 397–398, and *ibid.*, Dec. 13, 1954, pp. 901–902.

understanding responsibilities each Government this regard rather than any details re Austrian Treaty.

3. Since primary result treaty and restoration Austrian sovereignty would be end foreign occupation seems hardly necessary develop thesis for arguments against delaying evacuation. Department would however be happy examine and comment on UK paper if and when British prepared offer it.

4. If British insist on tripartite working group meeting US representative will be expected confine himself points para (1) above and stipulate his position reserved on discussion beyond those points. [4]

DULLES

[4] Despite earlier expectations (see footnote 2 above), Secto 8 from Paris, Dec. 17, reported that Austria had not yet been discussed in talks with Eden or tripartitely while Eden, Mendès-France, and Dulles were in Paris for the NAC Ministerial meeting of Dec. 17–18. (663.001/12–1754) No record of any discussions in Paris were found in Department of State files.

No. 949

663.001/12–954: Telegram

The Acting United States High Commissioner for Austria (Penfield) to the Department of State [1]

CONFIDENTIAL VIENNA, December 9, 1954—7 p.m.

1256. In course my conversation with Kreisky this morning I took opportunity informally to comment along lines Deptel 1561, December 4. [2] Kreisky said that he had just agreed with Schaerf and Figl on following three points:

1. Austria would still agree to eighteen month or two year evacuation period only on condition that it start from date of signature treaty, and

2. That very specific schedule of evacuation be agreed providing for maximum number occupation troops of each power at specific dates rather than percentage reductions. This would permit Western forces theoretically outnumber Soviet forces three to one at any time, and in final stages evacuation Western forces would undoubtedly in fact outnumber Soviets.

3. Although Austria would expect certain freedom from occupation control upon treaty ratification, international control of

[1] Repeated to London, Paris, and Moscow.

[2] Telegram 1561 instructed the Embassy to inform Figl that the U.S. position on the treaty modification proposed by Mendès-France would depend on whether the Soviets responded positively to it, but it would still require careful tripartite consideration. (663.001/12–354)

Vienna and other protection embodied in control agreement must remain in effect until troop evacuation completed.

In further discussion Kreisky was emphatic in his opinion that Austrian Government would not fall into any Soviet traps and would not be diverted from firm position by latent popular feeling that Austrian interests are being neglected for sake of ratification Paris agreements.

While I believe Kreisky was speaking sincerely, it remains to be seen how effectively he can back up his statements.

PENFIELD

No. 950

663.001/12-1654: Telegram

The Acting United States High Commissioner for Austria (Penfield) to the Department of State [1]

CONFIDENTIAL VIENNA, December 16, 1954—3 p.m.

1311. British and French HICOMs have given Embassy copies of despatches to respective Foreign Offices outlining their preliminary views re terms for troop evacuation et cetera in connection with treaty. These being forwarded together with our comments by despatch including replies to questions raised Deptel 1617. [2]

Embassy agrees no need for haste in promoting tripartite exploration technical details future west negotiating positions. Would prefer first weigh and establish US views, awaiting meanwhile British and French initiative.

Apparent here, as elsewhere in Europe, rigid negative attitude Soviets during period before outcome ratification Paris agreements make unlikely any progress on state treaty.

For example Chancellery press officer told Embassy official that Soviet HICOM summoned Schaerf to meeting December 9 for apparent prime purpose of stating that German rearmament would be major obstacle to conclusion of Austrian treaty. Accompanying lecture stressed danger inherent in London-Paris agreements and concluded with warning that Austrian Government should be aware of adverse effect on treaty and "take it into account".

Ilyichev asked for confirmation of statements by Raab appearing in press (presumably those re necessity of postponing treaty negotiations till after ratification). Schaerf expressed his dependency on

---

[1] Repeated to Moscow, Paris, and London.

[2] Same as telegram 3126 to London, Document 948.

same source for information and suggested Soviet HICOM ask Raab upon latter's return.

Referring to recent French Moscow *démarche* on Austrian treaty, [3] Ilyichev branded this a "maneuver" which "had no chance of success".

As result of this interview as well as latest Soviet note [4] and Molotov speech, [5] Austrian officials are resigned to conclusion Soviets are concentrating all efforts on frustration Paris agreements and will make no more conciliatory moves with regard to Austria before outcome of ratification procedures is clear.

PENFIELD

[3] Reference to the unilateral French *démarche* at Moscow on Dec. 7. According to Henri Ruffin, Counselor of the French Embassy in Washington, the French *démarche* "had achieved nothing." (Memorandum of conversation by Freund, Dec. 14, 663.001/12-1454)

[4] Reference to the Soviet note of Nov. 13 concerning European security. See Document 531.

[5] Presumably a reference to Molotov's speech of Nov. 29 at the opening session of the Conference on European Security in Moscow.

No. 951

EUR files, lot 59 D 233, "Austria, 1952-1955"

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Deputy Under Secretary of State (Murphy) [1]

SECRET [WASHINGTON,] December 23, 1954.

Subject: Soviet December 21 move on Austria

While it is the opinion of the three Western High Commissioners in Vienna that the Soviet charges and threats in the extraordinary meeting in the Allied Council on December 21 [2] are a part of the current Soviet campaign against ratification of the Paris accords, it would be unwise to ignore broader implications. (Vienna's 1355, Tab A [3]). The fact that the Soviet High Commissioner reiterated three times at the AC meeting "the extraordinary importance of

[1] Drafted by Freund and cleared with Thurston.

[2] The minutes of the Allied Council meeting of Dec. 21 are in ALCO records, lot 62 F 6, "Allied Commission Minutes—1954."

[3] Telegram 1355 summarized a meeting of the three Western High Commissioners following the Allied Council meeting on the morning of Dec. 21. They agreed that the form and timing of Soviet actions during that Council meeting were directed primarily at the ratification of the Paris Agreements and that they had effectively rebutted Soviet charges. They also agreed that the Soviets would probably not press the matter any further. (763.0221/12-2154)

the question" and "the serious consequences for the integrity of the Austrian State" if the AC did not accept his proposal (Vienna's 1354, Tab B [4]) seems deserving of examination.

This memorandum is essentially an analysis for internal Departmental consideration. If, as a result, we should decide to act, we would, of course, have first to consult the British and French, to whom an approach at this time could be a delicate matter.

Some possible Soviet motivations

1. The Soviets may feel the importance of demonstrating by action that their current series of threats is not empty. Such proof of their seriousness could, of course, be reserved for after ratification, but might equally well be employed prior to ratification to create fear of it.

2. Action in Austria might be considered by the Soviets to be the least risky because (a) the Four-Power Agreement on zones of occupation and the Allied Control Agreement provide them with technically legal grounds for almost any action in their own zone; (b) while the situation in Vienna is less favorable (4-power occupation under agreement) than in the Soviet zone itself, there is no tripartite declaration on Vienna such as there is on Berlin, and (c) there have been evidences (most recently the Mendes-France unilateral moves on Austria) about which the Soviets know, of a less staunch attitude on the parts of Britain and France with regard to Austria than with regard to other areas, so that the possibilities of splitting the West may appear greater over Austria.

3. Should the Soviets proceed with their declared intentions, in the event of ratification, to formalize their military bloc, this poses for them immediate decision of the problem of the Soviet zone of Austria which they occupy militarily but do not control. Therefore, the Soviets may feel that in the next few months the stage must be set for incorporating the Soviet zone of Austria more firmly into the Soviet bloc, at least militarily.

Some possible Soviet intentions

1. Not only in the AC meeting of December 21 but in several recent meetings in Vienna and in the Communist press there have been increasing charges of Western, particularly U.S., violation of Four-Power agreements, both the Agreement on Zones of Occupation of July 9, 1945, and the Control Agreement itself. Regardless of the fact that most of the charges are without foundation and the fact that the Soviets have known about the matters concerned for

[4] Telegram 1354 reported the Soviet allegations during the Allied Council meeting of Dec. 21 concerning the stationing of U.S. troops in the French Zone of Austria. (763.0221/12–2154)

years, the charges still are capable of forming a pretext for Soviet action within or without Four-Power agreements. Another set of pretexts for Soviet action could be derived from their desire to "protect" Austria, or at least the Soviet zone, from renewed Anschluss. In any event, the Soviet pattern of carefully establishing a legalistic basis for unjustified actions is not new.

2. There seem to be three lines of action open to the Soviets that would go beyond mere anti-ratification propaganda; (a) gradual reimposition of strict occupation controls in the Soviet zone, including border controls against personnel and goods, intimidation of the government, assumption of control over local and provincial law enforcement agencies and censorship. Partition could be brought about in this manner, always under the guise of Soviet rights under the Control Agreement or ostensibly to protect Austrian or Soviet security interests, although once the decision is made, the Soviets need not cloak all of their actions in legal respectability; (b) speedy dropping of the iron curtain at the western border of the Soviet zone is possible and would undoubtedly have as its intention the overthrowing or forcing out of the Austrian national government and the setting up of a puppet regime (the small Communist element among Austrians could be used); (c) a blockade of Vienna could be imposed which is a problem of a different order and more difficult to deal with than was the one of Berlin. A Vienna blockade could, of course, be included in b above.

Some possible Western counter moves

1. We could assume that so long as no action is taken to carry out the threat, it is mere propaganda to be ignored, or that it is safe to assume that the Soviets will wish to add to their pretexts before acting.

2. Withdrawal of our approximately 300 troops from the French zone, as the Soviets demand, could be done in such manner as to show how unimportant the Soviet charge is and with a denial of any U.S. violation of agreements. Past appeasements of this kind have had undesirable results, the Soviets could merely find other pretexts and our LOC would continue to run through the French zone.

3. We could assume, as we did last April when the Secretary issued a public instruction to our Chargé in Vienna to counter a Soviet threat (Tab C), that it is better to respond quickly, thereby avoiding the risk that the Soviets will overestimate their ability to move in Austria. On that assumption we could by tripartite notes to Moscow or in the next AC meeting and with suitable publicity, point out that the thinly veiled threat to the integrity of Austria is hardly in keeping with Soviet professions of peaceableness and a

desire to reduce tensions, and that not only are the Soviets refusing freedom to Austria but are using it to breed fear in the free world. In such a meeting the West could also renew its demand for a treaty restoring full sovereignty to Austria.

4. As another possibility, but one I would be reluctant to recommend, we could propose the withdrawal of all foreign forces without a treaty. It would, I think, risk being twisted into a proposal either like the Soviet Berlin proposals or merely permit the Soviets to draw us into a further negotiation on the treaty. It could be taken as a sign of weakness, such as we feared would be the recent Mendès-France proposal in his UN speech. I have not checked this with the Defense Department, but I believe it also has strong reservations about withdrawal of U.S. forces while the Soviets retain their powers under the Control Agreement and their economic penetration that could easily be used as cover for military personnel.

5. If further evidence is received of Soviet intentions to take action, we could turn the full light of publicity on the evidence and make clear the strongest possible Western position that the French and British will agree to.

6. In case of the commencement of a gradual cutting off of the Soviet zone we could (a) issue a tripartite declaration concerning the West's intention to preserve fully its rights under the Control Agreement (particularly in Vienna) and the freedom of the Austrian people; (b) make a show of force both with forces presently in Austria and by increasing our forces in the zones and Vienna, particularly the British and French; (c) bring to bear the maximum power of public opinion; (d) seek and exploit areas of Soviet weakness outside of Austria.

7. Should a quick dropping of the curtain occur either around Vienna or the entire Soviet zone, we could (a) protest directly to the Soviets and in the UN by mobilizing world opinion completely to expose the Soviet intentions and to create the kind of reaction that followed the subjugation of Czechoslovakia and the commencement of the Korean war; (b) make a show of force, including the forcing of the blockade in order to supply Austrian and our own citizens in Vienna; (c) assist the Austrian Government to establish itself in the Western zones and immediately recognize the sovereignty of Western Austria, as in the case of Western Germany; (d) provide economic aid to the Austrians, whose sources of food and much of whose industries are primarily in the Soviet zone.

8. In anticipation of the situation in 6 above, we could make blockade preparations (which might, ironically, require consideration of reestablishing food stockpiles in Vienna) and political plans with the Austrian Government. There are in existence some

emergency plans that might be helpful and we are now exploring them with the Department of Defense.

Recommendation:

That we, together with the British and French, declare to the Soviets, with full publicity, the seriousness with which we would regard any attempt against the integrity of the Austrian State, regardless of Soviet pretexts.

INDEX

INDEX

Achenbach, Ernst, 46-47
Acheson, Dean:
  Austria, 1749-1751, 1762-1766, 1771-1772, 1811-1813
    State treaty, 1717, 1721, 1723, 1725, 1736-1738, 1792-1795
  Berlin, 352-353, 1238-1239, 1243-1244, 1259, 1271, 1274-1275
    Soviet actions against, 1250, 1260-1261, 1284-1287, 1295-1297
  European Defense Community, 24-25, 331
  Germany, Democratic Republic of, 351-352
  Germany, Federal Republic of, 13-14, 205-206, 259, 331-332, 349-353, 395-399
    Contractual relations, 5-6, 12-15, 17-28, 89-111, 161, 331, 397-399, 1243-1244
      Armament production, 92-93, 98
      Financial contributions agreement, 57-62, 105-106
      Human rights clause, 35-37, 41-43
    Four-power talks, 368-370
    Reparations, 101-106
    Three-Power Relations Convention, 118, 142, 158
  Saar, 1406, 1408-1409, 1415, 1418-1420, 1425
  Soviet notes:
    March *10*, 173-175, 177-178, 183-185, 189-190, 192-193
    April *10*, 202, 210-212, 217-222, 232-240
    May *24*, 255-256, 258-260, 263-265, 267-269, 271-273, 275-277, 280-282
    August *23*, 310-311, 317-321
  Soviet peace treaty proposals, 176-177, 203-206, 259, 267, 352, 366
    Alliances provision, 189-190, 211, 220
    Borders provision, 190, 211, 259
    Elections, all-German, 174-175, 211-212, 221-222, 259, 268, 276, 320-321
  Soviet Union, policies of, 204, 351-352
  U.N. role in Germany, 174-175
Achilles, Theodore C., 260, 626, 768-770
Adenauer, Konrad:
  Allied forces defense contribution, 393, 420, 434-436
  Atomic energy, 167-168
  Austria, 778*n*, 1209
Adenauer, Konrad—Continued
  Belgian security guarantees plan, 545-546, 548-549
  Berlin, 161-162, 1360-1361, 1397-1398
  Berlin Conference, 637, 683-685, 776-777, 778*n*, 779-780, 798, 923, 976-977, 1208
    Soviet note, 628-630, 632-633, 652, 654-656, 681-682, 719
  Border issues, 182-183, 429, 637, 1212
  Border police, 423-424
  Contractual relations, 3, 8-13, 21-22, 31, 37, 72-78, 95-102, 104-109, 167-168, 272-274, 331
    Bundesrat approval, 53-54, 62-63
    Financial contribution agreement, 48-49, 57-58, 106
    German political opposition, 63-66, 86-87
    Ratification, 53-54, 62-63, 163-164, 394, 405-407, 420-421
  Defense, 22, 423-424, 486-487, 556
  EDC treaty, 22, 41, 69, 431-432, 474-475, 484, 544-545, 547-549, 556-557, 574-576, 683-686, 1214, 1229, 1443-1444
    Saar and, 417-418, 428-429, 431, 445-446, 545, 1443-1444
  Eisenhower correspondence, 463, 497, 538
  Elections, all-German, 207-208
  European relations, 458-459
  Four-power talks, 459-461, 484-485
  German assets in the United States, 576-577, 595-596
  Germany, Democratic Republic of:
    Food relief for, 1214, 1615-1617, 1619, 1640-1641, 1650*n*
    Uprising in, 1591, 1593*n*, 1594*n*
  Israeli reparations, 103-104
  NATO membership, 392-393
  Political situation, 10-11, 53-54, 62-66, 86-87, 97, 393-394, 474-475, 478-481, 499, 533, 536-537, 551, 563-565, 570-571, 581-583, 1518
  Rearmament, 167-168, 406-407, 413-414, 500, 551-555, 593, 600
  Refugee problem, 407-408, 414, 418, 423, 439-440
  Saar, 1447-1449, 1451, 1454-1455, 1518-1524
    Borders, 1212, 1412, 1414, 1423, 1439, 1482, 1487

Adenauer, Konrad—Continued
Saar—Continued
Contractual relations treaty and, 163-164, 420-421
Economic situation, 1423, 1440, 1471-1472, 1481-1482
EDC treaty ratification, 417-418, 428-429, 431, 445-446, 545, 1443-1444
Elections, 1412-1413, 1422, 1433, 1440-1441, 1455*n*, 1481, 1494
Europeanization, 556, 1212, 1413, 1471-1472, 1482, 1522
French-German negotiations, 333-334, 412-413, 417-418, 428-429, 551, 1411-1412, 1432-1433, 1439, 1464, 1479-1480, 1482*n*, 1491-1492, 1517
German political situation and, 545, 548, 551, 1518
New political parties issue, 1413, 1422-1423, 1433
Political autonomy, 429, 1412-1413, 1422-1423, 1433
Strasbourg agreements, 1539-1540
U.S.-U.K. guarantee, 596-598
Soviet peace treaty proposals, 205, 219, 223, 270, 272-274, 427, 433-434, 594-595
Four-power meeting, 269-270, 273-275
Soviet notes, 181-183, 186-188, 207-208, 231*n*, 266, 272-275, 280-288, 311-312
Three-Power Relations Convention, 118, 142, 158, 416, 1214
U.K. relations with Germany, 456-458
U.N. membership, 392-393
Unification of Germany, 65, 564-565
U.S. forces in Germany, 486-487, 556
U.S. relations with Germany, 422, 486-487, 556, 565
Visit to the United States, 332-333, 405, 412-421, 424-426, 436-447, 453-456, 592-600
War criminals, 392-393, 434, 442-444, 468-469, 1213
Western European Union, 598-599
Yugoslavia, 547-548
Administration for Soviet Property in Austria (USIA), 1791, 1902-1903, 1940
Aldrich, Winthrop W., 669n, 691, 1946-1947, 1959-1960, 1979, 1989
Allen, Denis, 891, 1016, 1130-1131
Allen, Edgar P., 1725*n*, 1734*n*, 1736*n*, 1749*n*, 1760*n*, 1771*n*, 1772*n*, 1774*n*, 1803*n*, 1804*n*, 1825*n*, 1828*n*, 1839*n*, 1846*n*, 1861*n*, 1862*n*, 1869*n*, 1954*n*, 1964*n*, 1969*n*, 1971*n*, 1972*n*
Allen, Ward P., 1787*n*, 1971*n*, 1972*n*
Alphand, Hervé, 76, 1538
Anderson and Company, 1753-1754
Anderson, Robert, 1978-1979
Appling, Hugh G., 1906, 1929*n*, 1954*n*, 1964*n*
Arnold, Lt. Gen. William H., 409*n*, 1898, 1951, 1980
Associated States, 706-707, 819, 822, 942
Atomic energy, 8, 78, 91, 167-168, 546, 568, 641, 816, 818, 857, 1030, 1231
Atomic energy talks, 794, 902-903, 1077-1078, 1140-1141, 1228-1229
Auchincloss, John W., 13*n*, 17*n*, 349*n*, 395*n*, 464*n*, 572*n*, 1682*n*
Ausland, John C., 203*n*, 349*n*, 1415*n*, 1665-1667
Austria (*see also under* Berlin Conference):
Anschluss, 1733, 1735, 1737, 1739-1740, 1823, 1967
Anti-Americanism, 1811
Armed forces, 864*n*, 1015
Censorship, 1742, 1941
Communist demonstrations, 1745-1746, 1763, 1765
Communist party, 1809-1811, 1834, 1836
Debts, 1200, 1752, 1790, 1798
Defense of, 1949-1950, 1995-1997
Denazification, 1718, 1740-1741, 1849
Displaced persons, 1196-1197, 1721-1722, 1790-1791
Dollar diversion investigation, 1744, 1750-1756, 1758-1759, 1810*n*, 1813-1817, 1820
East-West trade controls, 1750, 1941
Economic situation, 1720, 1744-1745, 1792, 1806-1808, 1848-1849, 1941
Elections, 1806-1808, 1812, 1821-1823, 1834-1836, 1841-1844
Four-power meeting, 1812-1813
Four-power security declaration, 802
German assets in, 1782, 1788
Hapsburg dynasty, 1740–1741
Jewish property, disposition of, 1780-1782, 1954, 1983
Military talks with, 802-803
Nazi amnesty legislation, 1769-1770, 1772-1774
Nazi organizations, 1196-1197
Nazi victims, restitution for, 1769-1770, 1780-1782, 1848
Neutrality of, 1015, 1222, 1868, 1890, 1894-1896, 1901-1902, 1929-1930, 1940
Austrian position, 1132-1133
French position, 1013
U.K. position, 1091-1092
U.S. position, 638, 1088-1089, 1105, 1132, 1141-1142
Occupation costs, 1718-1722, 1727-1730, 1741-1742, 1789-1790, 1874, 1888, 1921-1922, 1939
Occupation forces withdrawals, 863-864, 1028-1029, 1788-1789, 1794-1795, 1805, 1818-1819, 1897-1901, 1904-1906, 1930-1931, 1936-1937, 1942-1943
Austrian position, 1905-1906, 1944, 1955
French position, 1982, 1984-1990
U.K. position, 918
Oil fields, 1014, 1857-1858, 1885

Austria—Continued
Political situation, 1756, 1781-1782, 1809-1811, 1844-1846, 1927, 1953-1954
People's Party, 1744-1745, 1754, 1809-1811, 1821-1822, 1834-1835, 1841-1844, 1927
Socialist Party, 1741, 1754, 1809-1811, 1834-1835, 1841-1844
Verband der Unabhängingen (VDU), 1810-1811, 1821-1823, 1834, 1841-1844
Radio stations, return of, 1954, 1974
Reisseck-Kreuzeck hydroelectric project, 1971-1972
Security force, 1788, 1794-1795, 1799, 1916-1917
Soviet Union:
Bilateral negotiations, 1779-1780, 1947-1948, 1950-1953, 1955
Commercial treaty with, 1779-1780
Policies toward, 904, 1882-1893, 1946-1947, 1993-1995
Property claims, 1068, 1783-1784
Relations with, 1750, 1866, 1868-1872, 1947-1948, 1953, 1961-1969, 1992-1993
Soviet Zone, 1747-1748, 1752, 1809-1811, 1824-1825, 1884
State treaty:
Abbreviated version, 1732-1733, 1736-1743, 1776-1777, 1784, 1798, 1863
Anti-*Anschluss* provision, 1733, 1735, 1737, 1739-1740
Anti-Nazi legislation, 1740-1741
Article *35*, 803, 1794
Austrian position, 1015, 1062-1063, 1132-1133, 1721-1722, 1785-1786, 1792-1793, 1796, 1848-1850, 1880, 1906-1909
Berlin Conference, 1937-1940, 1942-1945
Brazilian role in, 1783-1784, 1793
Democratic institutions provision, 1740-1741
French position, 1062, 1065, 1786-1787
German assets, 1851-1852, 1863-1864, 1915, 1926-1927, 1940-1941
Hapsburgs, exclusion of, 1740-1741
Human rights, protection of, 1740
Indian role in, 1867-1868, 1871
JCS position, 1860
London talks, 1717, 1732-1735
Long version, 1777-1778
Military force limitations, 1733, 1740
NSC position, 1856-1860
Negotiations, 1830-1834, 1861-1862, 1922
Austrian position, 1829-1830, 1881-1882, 1953, 1991-1992
U.S. position, 1725-1727, 1736, 1828-1829, 1839-1840, 1862-1865, 1990-1991
Western position, 1722-1725, 1825-1829, 1837-1838
Austria—Continued
State treaty—Continued
Soviet position, 607-608, 667-669, 1062, 1064-1065, 1085, 1718, 1770-1771, 1774-1777, 1784, 1793-1794
Soviet proposals, 1193-1194, 1196-1203
Trieste as issue in, 1785-1786
Tripartite meetings, 1742-1743
U.K. position, 1063-1064, 1722-1725, 1787
U.N. role in, 1766-1768, 1770-1771, 1774-1779, 1787-1790, 1792-1806, 1812, 1823, 1847, 1971-1973
U.S. position, 174, 608-610, 616, 1068-1069, 1088, 1799-1801, 1850-1852, 1854-1856
Washington talks, 1721-1725
Western recommendations for, 1784-1785
U.N. membership, 1765
U.N. property, Soviet proposals, 1197-1199
United Kingdom, relations with, 864, 1959-1960, 1968-1969
United States, relations with, 1760-1765, 1779-1780, 1875-1877, 1982-1984
U.S. Army alien enlistment program, 1730-1732
U.S. economic assistance, 1756-1760, 1807-1808, 1815-1817, 1819-1821, 1939, 1941-1942, 1970
U.S. military assistance, 1853-1854, 1873
U.S. policies toward, 616, 632, 638, 865, 1066-1069, 1209, 1846-1848, 1872-1874, 1909-1922, 1945-1946, 1975-1976
U.S. troop redeployment from Trieste, 1923-1926, 1943, 1969-1970, 1976-1980
Vienna, 1920-1921, 1942, 1953
Western defense, contribution to, 1852-1854

Barbour, Walworth, 185*n*, 189*n*, 210*n*, 254*n*, 258*n*, 263*n*, 310*n*, 319*n*, 534*n*, 586*n*, 654*n*, 700*n*, 1243*n*, 1284*n*, 1329*n*, 1828*n*, 1861*n*, 1964*n*
Barnes, N. Spencer, 1546, 1552, 1554, 1555*n*, 1559-1570, 1688*n*
Beam, Jacob D., 634-635, 638*n*, 772-775, 1901
Begougne de Juniac, Gontran, 5-6, 300-301
Belgium, 545-546, 548-549, 1214
Berard, Armand, 5-6, 54, 73-74, 273-274, 400-402, 1471, 1501, 1539
Berlin:
Acheson visit, 1274-1275
Airlift, 1237, 1241-1243, 1253, 1259, 1349, 1352-1353, 1374-1375, 1391-1393
Allied declarations, 1245-1250, 1396-1397

Berlin—Continued
Commandants Declaration of Intent proposal, 1399-1402
Communist travel restrictions, 1655-1656
Contractual relations agreements, 1238, 1243-1244, 1246-1250
Defectors, 1305-1307
Defense of, 1245, 1267-1269, 1276-1277, 1279, 1310, 1329-1332, 1354, 1360
East-West trade, 1236-1237
Economic situation, 1237, 1318-1319, 1344-1345, 1379-1381
Armed forces offshore procurement, 561, 1326-1327, 1389
Capital investment program, 1302, 1323, 1325-1326, 1335-1337, 1346, 1354, 1355-1356, 1380n, 1392-1393
German Federal Republic assistance to, 1346-1347, 1386-1387, 1398
Unemployment, 1318, 1354, 1367, 1369, 1377-1378, 1381
Elections, all-Berlin, 479-480, 1332-1333, 1380, 1395-1396
French position, 1289*n*, 1396-1397, 1399, 1401
Germany, Federal Republic of, 1235-1236, 1238-1239, 1346-1347, 1386-1387, 1397-1398
Incidents, 339-340, 1254-1257, 1280-1281, 1373
Integration into the Federal Republic of Germany, 1309-1311
JCS position, 522-523, 528-529
Kommandatura relations, 1235, 1244*n*, 1319-1320, 1339-1346, 1399-1402
Kulikov case, 1305-1306
Land status for, 1235, 1310, 1329-1332
Legislative rights of, 1247-1248
Linse case, 1280-1281, 1283, 1297-1299, 1305-1307, 1384-1385
Morale, 1324, 1356-1357, 1370
Offshore procurement, 561, 1326-1327, 1389
Police force, 1303, 1353-1354
Political situation, 1360-1363, 1366, 1371-1372, 1379, 1381-1382
Refugees, 572, 1302-1303, 1307, 1316-1318, 1322-1323, 1325, 1339*n*, 1355-1357, 1372-1373, 1393-1394, 1398
RIAS, 1315-1316
Soviet actions, 1270-1273
Air corridor, 1287
Airlift, 1237, 1241-1243, 1349, 1352-1353, 1374-1375, 1391-1393
Allied position, 1254-1255
East-West blockade, possible, 1307-1309, 1312-1314, 1315*n*, 1350
French position, 1349
German Federal Republic position; 1236, 1349
Incidents, 339-340, 1254-1257, 1280-1281, 1307-1308, 1373
Linse case, 1280-1281, 1283, 1297-1299, 1305-1307, 1384-1385
Rothensee, 1287, 1295
Soviet position, 1297-1299, 1304-1306
Berlin—Continued
Soviet actions—Continued
U.K. position, 1349
U.S. courses of action in event of, 1261-1269, 1281-1287, 1347-1360
U.S. position, 1239-1241, 1252, 1255-1256, 1258-1269, 1277-1278, 1280, 1289-1297, 1299-1301, 1364-1365, 1373-1374
Soviet position, 339, 1236, 1242, 1595-1597
Soviet tank memorial, repair of, 1384-1385
Steinstücken, 1256, 1273
Stockpiling, 1239-1243, 1253, 1263-1264, 1271, 1279-1280, 1393
Strikes of June *1953*, Soviet position, 474, 605
Three-Power Relations Convention, 116-119
Tripartite declaration, 1339-1343
Tripartite military planning, 1310, 1329-1332
U.K. position, 1289*n*, 1396-1397, 1399, 1401
U.S. economic assistance, 572, 1253, 1323, 1326-1328, 1334-1339, 1344, 1367-1371, 1376-1378, 1383, 1385-1395
U.S. position, 345-346, 352-353, 372-375, 380, 1108-1109, 1242-1243, 1251-1252, 1288, 1328-1329, 1342-1343, 1347-1360, 1367, 1396-1397, 1597-1598
Visits by East Zone residents, 1701-1702
Berlin Conference (*see also* Soviet peace treaty proposals):
Agenda, 834-835, 1076
French position, 812-813, 819, 826-827, 924
Soviet position, 814, 817, 843-844, 860, 861, 871, 1175
U.K. position, 813, 820, 826-827, 850, 859, 874
U.S. position, 820, 832, 846-847, 861, 872-873
Austria issue, 74, 792, 800-801, 849, 887, 941-942, 973, 982, 1004, 1011-1012, 1222
Austrian participation, 790, 821, 836, 848-849, 876-877, 975, 1012-1014
Austrian position, 778-779, 849, 1015, 1036, 1062-1063, 1082, 1091-1092, 1098-1100, 1138-1139, 1168-1169
French position, 800-801, 812, 1065, 1072, 1083, 1098-1100, 1168-1169
Neutrality, 1015, 1141-1142
Occupation forces withdrawal, 909, 918, 940
Press reaction, 1107-1108
Soviet position, 817, 876, 905, 1064-1065, 1080, 1168-1169

Berlin Conference—Continued
Austria issue—Continued
Soviet proposals, 1064-1065, 1193-1194, 1196-1203
Austrian position, 1070-1071, 1082, 1084, 1134, 1137-1140
French position, 1082-1083, 1134-1136
Soviet position, 1082, 1084-1086, 1098, 1100, 1134-1135
U.K. position, 1083-1084, 1134-1135, 1137
U.S. position, 1076, 1087-1091, 1101-1104, 1134, 1137
Tactics, allied, 1074-1075, 1091-1092, 1127-1129
Tripartite position, 1073, 1207
U.K. position, 800-801, 813, 923, 1063-1064, 1099-1100, 1136, 1168-1169
U.S. position, 739, 781, 788-789, 832, 917-918, 984, 1066-1069, 1081, 1104-1105, 1108, 1139, 1168-1169, 1195, 1218
Berlin issue, 1207, 1224
Chairmanship issue, 762, 788, 809-811
Chinese People's Republic participation (*see also* Five-power conference issue; Korean political conference issue *below*), 605-606, 608-609, 614-616, 647, 725-726, 786, 788, 790-792, 1219
French position, 819-820, 858, 1041, 1147
Soviet position, 815-817, 867, 995-996, 1112, 1147
U.K. position, 820, 841-842, 1045, 1147
U.S. position, 831-832, 845, 892, 992-993, 1040, 1042, 1044, 1146-1147
Communiqué, 1159-1160, 1165-1166, 1205-1207
Declaration of Intent, tripartite position paper, 1180-1182
Delegate social relations, 784, 793, 878-881, 901, 975, 1004, 1216
Demilitarized zone and limitation of forces, 738-739
Disarmament, 923, 992, 1110, 1115-1116, 1142-1145, 1148, 1171, 1176
Eden plan, 893-895, 897-899, 907*n*, 910-911, 928, 949, 956-957, 966-967, 1073-1074, 1126-1127
Elections, all-German, 643, 664, 735
Eden plan, 893-894, 897-899
French position, 797, 812-813, 894-895, 910-912, 925, 947, 955, 978-979
German Federal Republic position, 633, 742-743, 776-777, 779-780, 866, 868
Soviet position, 606, 620-621, 643, 752, 850, 893-894, 910-911, 921, 956-957, 958-959
Soviet proposal, 959-961, 966-972, 978-981, 1186-1187
U.K. position, 813-814, 827, 850, 875, 912-913, 928-929, 948, 958, 1177-1179
Berlin Conference—Continued
Elections, all-German—Continued
U.S. position, 601-602, 897-899, 959-961
European security, 899-900, 975
French position, 894-895, 1010-1011, 1019-1021, 1093, 1095-1097, 1118-1120, 1123, 1153
Soviet position, 1018-1019, 1121-1122, 1153, 1154-1155
Soviet proposals (*see also* Soviet European collective security pact proposal *below*), 1093-1094, 1117-1118, 1120-1123, 1154-1155, 1169-1171, 1189-1192, 1204
U.K. position, 912, 1010, 1021-1023
U.S. position, 896, 1123-1127, 1156-1159, 1223
Five-power conference issue (*see also* Korean political conference *below*), 735, 774, 837
Chinese People's Republic position, 995
French position, 786, 790, 819-820, 822-823, 826-827, 840-841, 853, 858, 942, 995, 998-999
Soviet position, 815-817, 824-826, 833, 835, 844-845, 855, 861, 995-996
U.K. position, 791-792, 841-842
U.S. position, 725-726, 791-792, 823, 831-832, 844-845, 855-856, 891-892, 942-944, 992-993
French position, 745-746, 772, 796-797, 812-813, 870, 894-895, 919, 1009, 1171
French public opinion, 741, 747-750, 768-770
German financial obligations, Soviet proposal, 1188
German participation, 635, 739, 784, 821, 836, 870, 874-878, 887-888, 893, 913, 931, 1008
German remilitarization issue, 662-664, 753, 913-915, 926-927, 937, 984, 987
Germany, Federal Republic of:
Consultations with, 636, 740, 742-747, 754, 785, 789, 870-871
Position toward, 683-685, 742-745, 763-764, 775-777, 798, 907, 923, 938, 951, 976-977, 1208
Government, all-German (*see also* Elections, all-German *above*), 606, 616, 622-623, 735-736, 743, 911-912, 916, 925, 928, 949
Indochina political conference proposal, 942-943, 1017, 1225-1227
French position, 790-791, 819-820, 822-824, 964-965, 994-995, 1007, 1041, 1130, 1225-1227
Soviet position, 999, 1114, 1130, 1146, 1225-1226
U.S. position, 822-823, 983, 994, 1007, 1113-1115, 1130-1131

Berlin Conference—Continued
Korean political conference (*see also* Chinese People's Republic participation *above*), 615, 944, 1162, 1167, 1224-1225
Communiqué, 1205
French position, 790-791, 964, 989-990, 995, 1041, 1046-1047, 1053-1054, 1060-1061, 1110-1113, 1129, 1131, 1145-1146, 1163-1164
Resolution for, 953-954
Soviet position, 992, 997-1000, 1040, 1043-1045, 1047, 1049, 1055-1056, 1058-1059, 1080, 1110, 1112, 1129-1130, 1145-1147, 1163
Soviet proposals, 1110-1112, 1115, 1149, 1203-1204
U.K. position, 964, 989-990, 992, 995, 999, 1016-1017, 1053, 1056, 1106-1107, 1129, 1145-1146, 1163
U.S. position, 891-892, 982-983, 989-990, 993, 996-998, 1047-1050, 1053-1054, 1080, 1092, 1106-1107, 1111, 1129-1131, 1164
North Atlantic Council reports to, 785, 792
Occupation costs, 737, 1009
Post-conference U.S. analysis, 1215-1231
Postwar debts, 916, 980-981, 1008-1009
Preparations for, 634-636
All-German government issue, 631, 633, 642-643
Austria issue, 632, 638, 656-657, 666-667
Boundaries issue, 637-638
European Army, Soviet position, 675-676
Five-power conference proposal, 644, 647, 657, 661-662, 666, 673-674, 677
German Democratic Republic participation, 635, 736
German financial contribution issue, 643-644
German position, 683-685
Lessening of international tensions issue, 605-606, 608, 615, 631, 639-641, 658-659
Security guarantees issue, 636-637
Soviet notes:
August *4, 1953*, 602, 608-616
August *15, 1953*, 617-627, 628-632
September *28, 1953*, 639-651, 656-658
November *3, 1953*, 658-672
November *26, 1954*, 673-685
Tripartite Foreign Ministers meetings, 687-688
Churchill-Eisenhower meeting proposal, 687, 689, 691, 711-712
French position, 695, 697, 716-717
U.K. position, 694-695, 697, 716-717
U.S. position, 689, 694-695, 697, 718-719
U.K. position, 691-692, 761, 762*n*
U.S. military bases, Soviet concern with, 664-665
Berlin Conference—Continued
Preparations for—Continued
U.S. note to the Soviet Union, July *1953*, 601-602, 609
U.S. position, 601-602, 761
Press:
Reactions, 868, 906-907, 937-939, 950-951, 977, 1107-1108
Relations, 784-785, 789, 820-821, 838, 852, 886
Procedural questions, 809-811, 837-839
Reparations, 737, 1010
Restricted sessions, 861-862, 909-910, 940-941, 943, 952-953
Agenda, 972-973
French position, 909, 923
U.K. position, 909, 923, 943, 952, 963, 991-992
U.S. position, 909, 977, 1005-1006
Security declaration, 786, 801-802
Security guarantees, 605, 690, 815, 894, 908-909, 913-915
Site, 604, 677, 679-680, 682, 750-751, 755-760, 765-767, 770-772, 787
Soviet European collective security pact proposal, 1020-1027, 1118-1119, 1123-1127, 1190-1192, 1223
Soviet position, 566, 643-644, 752-753, 782-783, 814, 817, 824-827, 874-875, 904-905, 969, 1008-1009, 1172
Soviet proposals of February *1954*, 1018-1019, 1024-1025, 1031-1034, 1037-1045, 1134-1137, 1182-1188
Tactics:
Soviet, 772-774
Western, 734-735, 738, 774-777, 839-840, 868-871, 888-889, 908, 922-923, 940-941, 952-953, 963-964, 974-975, 1003, 1034-1036
Tripartite consultations, 740, 746-747, 754
Tripartite working group, 634, 722-723, 728-729
Final Report, 733-740
Security declaration, 724-725, 729-733
Soviet position, 811
U.S. position, 723-724
U.K. position, 747, 813-814, 870, 941, 967, 978, 1171-1172
Unification of Germany:
U.K. position, 813-814, 877, 1177-1180
French position, 875
German position, 851, 865-866
Soviet position, 961-962
Tripartite communiqué, 1206
U.S. position, 897-899, 956
U.S. position, 566, 634-638, 781, 787, 827-828, 929-935, 962, 973, 1005-1007, 1050-1053, 1172-1174, 1208-1209, 1216-1220
U.S. proposal of July *1953*, 601-607
Yugoslav participation, 804, 849-850
Bermuda Conference, 1582, 1589, 1605

Bidault, Georges P.:
Austria issue, 812, 941, 1013-1015, 1065, 1082-1083, 1099-1100, 1128, 1135-1136, 1168-1169
Berlin Conference, 796-797, 812-813, 1171
Agenda, 812-813, 819, 826-827, 924, 982
Communiqué, 1165-1166
Five-power conference issue, 790-791, 819-820, 822-823, 840-841, 941-943, 998-999
Germany, Federal Republic of, consultation with, 745-746, 747*n*
Preparations for, 647, 687, 788-789, 796-798
Soviet-Western exchange of notes, 652, 694-695
Tripartite Foreign Ministers meeting, 697, 716-717, 719, 745-746
U.S.-European unity, Soviet position, 835
Churchill-Eisenhower meeting proposal, 711-712
Disarmament, 859, 873, 1110, 1115-1116, 1143-1145
EDC treaty, 417-418, 545, 552, 1009, 1018-1019, 1022, 1150-1152, 1229-1230
Elections, all-German, 812-813, 910-912, 925, 947, 954-955, 966, 978-979
German participation, 911, 946-947, 949
Saar and, 1443–1444, 1461, 1465–1466
European security, 690, 894-895, 1010-1011, 1020-1021, 1119-1120, 1153, 1626
Soviet European collective security pact proposal, 1020, 1023, 1118-1119, 1123
Soviet proposals, 1041, 1117-1118, 1135-1136, 1155, 1170
Germany, 875, 926-927, 1009
Germany, Federal Republic of, 406, 925, 954-955, 1083
Indochina, 704, 706-708, 720, 790-791, 823-824, 834, 841, 943, 1041
Political conference proposal, 994-995, 997, 999
U.S. military assistance, 701-703
Korean political conference, 705-706, 841, 990, 1041, 1046-1047, 1054-1057, 1060-1061, 1110-1113, 1145-1147, 1163-1164, 1225-1227
North Atlantic Treaty Organization, 1019-1020
Saar, 1211, 1442, 1449, 1481-1482, 1496, 1542
EDC treaty ratification, 1442-1444, 1461, 1465-1466
French-German negotiations, 428, 551, 1460, 1484, 1491-1492
Soviet peace treaty proposals, 924-925, 927, 947
Soviet Union, 926, 1118
Trieste issue, 693, 715, 1099
U.S. relations with France, 412*n*, 854
Bischoff, Norbert, 1868-1869, 1870*n*
Blank, Theodor, 23, 70, 73-74, 76, 450, 482-484, 490, 537, 584
Blankenhorn, Herbert A.H.:
Adenauer visit to the United States, 405, 412-419
Berlin Conference, 798, 907, 967-977, 1002
EDC treaty, 416-417, 474, 569
Four-power talks, 459-460, 468-470, 475, 484
German remilitarization, 413-414
Political situation, 466-467, 569, 1518
Refugee problem, 414, 475
Saar, 412-415, 1471-1472, 1500-1502, 1518, 1540
French-German negotiations, 417-418, 1409, 1496*n*, 1529-1530
Soviet peace treaty proposals, 269-270
Bohlen, Charles E., 25*n*, 173*n*, 177*n*, 192*n*, 210*n*, 254*n*, 258*n*, 263*n*, 984*n*, 1284*n*, 1285*n*, 1288*n*, 1291*n*
Austria, 1867, 1967
Berlin, 1242-1243, 1251-1252, 1280-1281, 1283
Berlin Conference, 603-604, 645-648, 677-679, 837, 855-858, 904-905, 961-962
China, People's Republic of, recognition of, 856-857
East-West trade, 859
Indochina, 856, 859
Korea, 856
Soviet peace treaty proposals, 202-203
Soviet Union, 857*n*, 904-905, 961-962, 1241-1243
Bonbright, James C.H., 177*n*, 210*n*, 232*n*, 234*n*, 254*n*, 305*n*, 317*n*, 395*n*, 397*n*, 486*n*, 490*n*, 499*n*, 520*n*, 534*n*, 624*n*, 1285*n*, 1328*n*, 1329*n*, 1332*n*, 1360*n*, 1395*n*, 1424*n*, 1435*n*, 1442*n*, 1444*n*, 1452*n*, 1463*n*, 1497*n*, 1678*n*, 1736*n*, 1811*n*, 1825*n*, 1828*n*, 1846*n*, 1861*n*, 1862*n*, 1869*n*, 1929*n*, 1930*n*, 1964*n*
Austria:
Redeployment of U.S. troops from Trieste, 1924-1925
Soviet property claims, 1783-1784
State treaty, 1774-1776, 1787-1789, 1858*n*, 1861*n*
Germany, Federal Republic of, contractual relations, 61-62
Bonn agreements. *See* Germany, Federal Republic of: Three-Power Relations Convention.
Bonnet, Henri, 267, 268, 271, 645, 732, 1905
Bonsal, Philip W., 180-181, 186, 1412
Bowie, Robert R., 520*n*, 538*n*, 549-550, 614*n*, 688*n*, 691*n*
Bradley, General of the Army Omar N., 505, 1241-1242
Brandt, Willy, 567, 1318
Brentano, Heinrich von, 55-56, 536-537, 775-777, 1430
Bruce, David K.E., 217*n*, 220*n*, 263*n*, 1797*n*

Bruce, David K.E.—Continued
Austria, 1804-1806, 1819-1821
Berlin, 1251, 1253, 1255-1256, 1288-1289, 1291-1293
EDC treaty, 364, 457, 459, 484-485
Germany, Democratic Republic of, U.S. recognition of, 1570-1571
Germany, Federal Republic of, 7-9, 367, 386-387, 457-459, 484-485
Saar issue:
French-German negotiations, 1409-1410, 1435-1438, 1479
Strasbourg agreements, 1540-1541
Soviet peace treaty proposals, 254-255, 298-299, 305-309
Byington, Homer M., Jr., 700*n*, 1736*n*, 1747-1748, 1771*n*, 1774*n*, 1787*n*, 1825*n*, 1828*n*, 1846*n*, 1869*n*, 1896
Byroade, Henry A., 2-3, 332-336, 1408*n*

Caccia, Harold A., 778, 1718-1720, 1729, 1897-1898, 1930*n*
Calhoun, John A., 13*n*, 17*n*, 20*n*, 25*n*, 179*n*, 189*n*, 192*n*, 317*n*, 349*n*
Carlson, Delmar R., 1347*n*, 1360*n*, 1366*n*, 1395*n*, 1678*n*
China, People's Republic of *(see also* Five-power conference issue *and* Korean political conference *under* Berlin Conference), 640, 659, 814, 917, 964-965, 995, 1214, 1216, 1227, 1589
Chuikov, General of the Army Vasily Ivanovich, 1297-1300, 1304-1308, 1578
Churchill, Winston S., 456-458, 460-461, 548, 580, 651, 683, 687, 689, 691-692, 711, 716-719, 762*n*, 772
Cleveland, Harlan, 1755, 1757*n*
Coleman, Maj. Gen. C.F., 750-751, 755-756, 770-772, 1257
Collins, Varnum Lansing, Jr., 505, 1749*n*, 1757*n*, 1787*n*, 1792, 1803*n*, 1804*n*, 1806*n*, 1813-1815, 1819*n*, 1825*n*, 1828*n*, 1839*n*, 1846*n*, 1861*n*, 1862*n*, 1869*n*
Conant, James B.:
Adenauer visit to the United States, 419-421, 426-436, 439-446, 594
Berlin, 479-480, 1326-1328, 1334-1339, 1343, 1369-1370, 1381-1382, 1385-1388
Berlin Conference:
Elections, all-German, 742-743, 776-777, 779-780, 938-939
Germany, Federal Republic of, 742-745, 762-764, 775-777, 784-785, 907
Preparations for, 628-630, 632-633, 652-654, 681-685, 758*n*-759*n*
EDC treaty, 489, 569, 683-686, 1602-1604
German assets in the United States, 595
Germany, Democratic Republic of:
Flood relief for, 1702, 1704-1705
Food relief for, 1600-1602, 1621-1622, 1629-1636, 1639-1640, 1652-1658, 1660-1662, 1667-1668, 1670-1673
Conant, James B.—Continued
Germany, Democratic Republic of—Continued
Sovereignty of, 1604-1605, 1677-1678
Germany, Federal Republic of:
Border police, increase, 423-424
Economic situation, 422
Four-power talks, 459-460, 479, 481, 487-490, 495, 762-764
Political situation, 500*n*, 550-552, 583, 590-591
Bundestag elections, 478-479, 531-532, 533-534, 536-537, 1624-1625
EDC treaty, 496, 569-570
Four-power talks, 479, 481, 487-490, 495, 762-764
SPD, 487-489, 583, 591, 743-745, 763-764, 938-939
Rearmament, 500, 551-555, 584
War criminals, 442-443
Saar issue, 446, 551-552, 555, 569, 584-585, 1445-1446, 1489, 1505
Economic situation, 1446, 1471-1472, 1489, 1504, 1506-1507
Europeanization, 1471-1472, 1506
French-German negotiations, 1457-1458, 1464, 1470*n*, 1479-1480, 1488, 1505-1507, 1529-1530
German Federal Republic position, 1454-1455
Strasbourg agreements, 1539-1540
U.S.-U.K. role, 1489-1490, 1503-1504
Unification of Germany, 1605
Congress, U.S., 25-27, 34, 575, 577-580, 1475, 1730
Contractual relations. *See under* Germany, Federal Republic of.
Council of Europe, 1493-1495, 1790
Creditanstalt, 1750, 1753, 1756, 1758, 1759, 1813, 1820
Crouy-Chanel, Etienne de, 226, 240
Cutler, Robert, 502-503, 505-507, 540-541, 1364-1365, 1383, 1859, 1910-1912, 1935
Czechoslovakia, 566, 1586-1587

De Gasperi, Alcide, 430-431, 1432
Dehler, Thomas, 537, 590
Delarue Caron de Beaumarchais, Jacques, 1427-1428, 1430-1432
Dengin, Maj. Gen. Sergei Alexeyevich, 750-751, 755, 757-758, 765, 770-772, 1384
Dibelius, Otto F.K., 353-354, 383
Dillon, C. Douglas, 670-671, 1455-1456, 1461-1462, 1467-1469, 1496, 1510*n*, 1520-1524, 1540-1541, 1986-1988
Disarmament *(see also under* Berlin Conference), 842, 859, 872-874, 917, 1911
Donnelly, Walter J.:
Austria, 1718-1721, 1727-1730, 1738-1742, 1744, 1760*n*, 1762-1766, 1768-1770
Berlin, Soviet actions, 1289-1291, 1293-1295, 1299-1301

Donnelly, Walter J.—Continued
Germany, Federal Republic of, 355, 361-364, 367, 381-385, 388-389, 390-391
Saar, 355-356, 1429-1430, 1439-1441
Soviet peace treaty proposals, 311-312
Dowling, Walter, 1745-1746, 1830-1834, 1866-1868
Draper, William H., Jr., 213-214, 363, 367, 456-457
Dulles, Allen, 581, 1124, 1586-1588, 1610
Atomic weapons, 794, 902-903, 1030, 1077-1079, 1140-1141, 1228-1229, 1231
Austria, 781, 984, 1067-1068, 1208-1209
Berlin Conference, 788-790, 877, 917-918, 941, 1012-1014
Neutrality, 638, 1081, 1088-1089, 1132, 1139, 1222, 1910-1912, 1929-1930, 1935
Soviet proposals, 1076, 1087-1090, 1101-1104, 1137
Soviet Union, relations with, 1869-1870, 1964-1965
State treaty, 1068-1069, 1088, 1132-1133, 1168, 1850*n*, 1855-1862, 1958, 1971-1973, 1984
Troop withdrawals, 1028-1029, 1169, 1930-1931, 1982-1986
Dulles, Eleanor Lansing, 1317-1318, 1325-1326, 1328*n*, 1366*n*, 1367*n*, 1373, 1379*n*, 1395*n*, 1614, 1620*n*, 1668*n*
Dulles, John Foster:
Austria, U.S. troop redeployment from Trieste, 1925-1926, 1969-1970, 1976-1978
Berlin, 1224, 1328-1329, 1353-1354, 1366
Elections, all-Berlin, 1332-1333, 1395-1396
Morale, 1324, 1356-1357
Refugees, 1322-1323, 1355-1357
Soviet actions against, 1347-1360, 1364-1365
U.S. economic assistance, 1323, 1349-1356, 1383
Berlin Conference:
Agenda, 634-636, 832, 834-835, 847, 853, 861-863, 871-873, 1013
All-German participation, 754, 875, 893, 931
Austrian participation, 788-790, 877, 1012-1014
Chinese People's Republic participation, 788, 790-792, 844-845, 992-993
Communiqué, 1165-1166
Eden plan, 897-899, 949
Five-power conference issue, 786, 790-792, 822-823, 831-832, 837, 844-845, 847-848, 853, 861, 891, 942-943, 992-993
German Democratic Republic participation in, 635, 887
Negotiations, U.S. position, 917-918, 959-960
Preparations for, 634-638, 691-692, 761-762, 767, 796-798, 1587
Dulles, John Foster—Continued
Berlin Conference—Continued
Churchill-Eisenhower meeting proposal, 689, 691, 711-712
Soviet-Western exchange of notes, 614-616, 645-651, 654-656, 667-669, 680-681, 694-695
Tripartite Foreign Ministers meetings, 687-689, 697, 716-719
Procedure, 788, 796-798, 809-811, 837-838
Restricted sessions, 941, 977
Soviet proposals of February *1954*, 1012-1014, 1024-1025, 1037-1045, 1076, 1087-1090, 1101-1104
Tactics, 839, 868-870
Tripartite consultations, 731-733, 740, 754
Tripartite working group, security declarations, 723-724, 727, 731-733
U.S. position, 787, 827-828, 929-935, 1050-1053, 1172-1174, 1208-1209, 1221-1231
China, People's Republic of, 858, 882-885, 1080, 1227
Recognition of, 791, 831-832, 846-847, 917, 943-944, 964-965, 993-998
Disarmament, 917, 1142-1144
East-West trade, 1161, 1227-1228
Egypt, 709-710, 1161
Elections, all-German, 875, 897-899, 949, 959-961, 970-972, 981
Europe, 1025-1027, 1209-1211, 1475-1478
European Defense Community, 409*n*, 899, 1150-1152, 1161, 1211-1212, 1215, 1229-1230
German participation, 830-831, 962, 986
German position, 430-432, 502-503, 506-507, 544-545, 574-576
Saar, 431, 1444-1445, 1465-1466, 1469-1470, 1477-1478, 1511
Soviet position, 933-934, 984-985, 1223
Treaty, 399-400, 416, 428, 430-432, 502-503, 506-507, 544-545, 547, 552-553, 572-576, 695, 701-703, 1469-1470, 1474
European security, 899-900, 933-935
Soviet European collective security pact proposal, 1023-1024, 1025-1027, 1032-1033, 1123-1127, 1223
Soviet proposals, 1024-1025, 1037-1045, 1137, 1155, 1156-1159, 1169
France, 498-499, 741
German assets in the United States, 595-596
Germany, Democratic Republic of, 635, 931-932, 970-971, 1210, 1620, 1631, 1643-1645
Germany, Federal Republic of:
Adenauer visit to the United States, 426-427, 439-446, 453-456, 594-595, 600

Dulles, John Foster—Continued
Germany, Federal Republic of—Continued
Belgian security guarantees plan, 545-546, 548-549
Border police, increase, 476, 490-491
Defense, 434-436, 444, 464-465, 486-487
Economic situation, 558-559, 981
EDC treaty, 399-400, 416, 428, 430-432, 502-503, 506-507, 544-545, 547, 552-553, 572-576, 695, 701-703, 1469-1470, 1474
Four-power talks, 498
Otto John case, 585-589
Political situation, 399-400, 499-500, 532-535, 628n, 1452, 1518
Prisoners of war, 1213
Rearmament, 503-508, 520-521, 552-553, 593, 1476
Sovereignty, 1678-1679, 1682-1683
Unification of Germany, 782, 891-899, 1210
United States, relations with, 432-433, 470-471, 537-538, 565, 576, 586-587
U.S. military assistance, 436, 448-450
U.S. policy toward, 477-478, 501-508, 540-542, 930-931
U.S.-U.K. study group, 580
War criminals, 443-444
Indochina, 690-691, 701-703, 708, 720-721, 838, 848, 853-854, 942-944, 977-978, 1053, 1081
Conference proposal, 964-965, 983, 989-990, 994, 1007, 1113-1115, 1162, 1225-1227
Israeli-Jordanian border incidents, 696, 720-721
Korea, 704-706, 720, 794-795, 845-848, 884, 1157
Korean political conference, 1047-1050, 1053-1054, 1057-1060, 1145-1146, 1164, 1224-1225
Chinese People's Republic participation, 989-990, 996-998, 1040, 1042, 1044, 1080, 1111, 1113-1114, 1146-1147, 1162
Resolutions for, 953-954, 1106-1107
Soviet proposal, 992, 1000, 1149
Middle East, U.K. assistance, 795, 944-945, 1161
North Atlantic Treaty Organization, 899-900, 933-934, 1125
Saar, 428-429, 431, 445-446, 545, 552, 596-598, 1212-1213, 1442-1443, 1473-1478, 1487, 1511, 1518-1520
EDC treaty ratification, 1444-1445, 1465-1466, 1477-1478, 1511
Europeanization, 1497-1498, 1510-1512
French-German negotiations, 1453-1454, 1463, 1473-1478, 1486
U.K. position, 1459-1460, 1510-1512
U.S.-U.K. role, 1497-1500, 1508-1512, 1528-1529
Soviet peace treaty proposals, 427, 594-595
Dulles, John Foster—Continued
Soviet Union, 427, 433, 594-595, 828, 917, 1227
Trieste issue, 689-690, 692-694, 699-700, 712-715, 719, 1090
United Kingdom, 689, 691, 711-712, 794-795, 1161
United Nations, 845, 858, 1124
Western European Union, 598-599
Yalta agreements, 829, 1129
Dunn, James C., 184-185, 260-262, 288*n*, 1426

East-West trade, 816-817, 842-843, 859, 1161, 1227-1228, 1908-1909
Eden, Anthony:
Atomic weapons, 1030
Austria, 813, 941, 982, 1014, 1063-1064, 1168-1169, 1789-1791, 1977
Soviet proposals, 1083-1084, 1099-1100, 1134-1137
State treaty, 1063-1064, 1717, 1721, 1734
Berlin Conference, 746-747, 813-814, 835, 839, 894-895, 967, 979, 1171-1172
Agenda, 813, 820, 826-827, 834-835, 850, 859, 874, 982
Austrian participation, 1012-1013
Chinese People's Republic participation, 820
Communiqué, 1165-1166
Five-power conference issue, 790, 792, 841-842, 942-943
German participation, 870, 893
Preparations for, 680-681, 691-692, 694-695, 788-789, 796-798
Churchill-Eisenhower meeting proposal, 711-712
Tripartite Foreign Ministers meetings, 687-688, 697, 716-717, 719
Restricted sessions, 941, 952
Soviet European collective security pact proposals, 1021-1023
Soviet proposals of February *1954*, 1039, 1042-1043, 1045
China, People's Republic of, 713, 820, 841-842, 1045, 1147
Disarmament, 842, 873-874, 1116, 1142-1144
EDC treaty, 331, 695, 850, 912, 936-937
Egypt, 709-710
Elections, all-German, 238, 813-814, 827, 850, 912-913, 928-929, 948-950, 955, 958, 966-967, 979-980, 1011
European security, 580, 912, 1010, 1021-1023, 1039, 1042-1043, 1045, 1120-1121, 1154-1155, 1170
Germany, Democratic Republic of, 928-929
Germany, Federal Republic of:
Contractual relations, 12-13, 30-32, 58, 89-109, 161
Reparations, 101-102, 1010
Three-Power Relations Convention, 18, 142, 158, 949-950

Eden, Anthony—Continued
Germany, Federal Republic of—Continued
Troop withdrawal, 967, 979
Indochina, 708, 992, 1115
Korean political conference, 704-706, 841-842, 989-990, 992, 995, 997, 999, 1045, 1053, 1056, 1111-1112, 1145-1147, 1163
Middle East, 944-945
North Atlantic Treaty Organization, 936-937, 980
Saar, 1415, 1420
Soviet peace treaty proposals, 173*n*, 176-177, 263-264, 947-948
Elections, all-German, 225-228, 260-261, 276, 281
Soviet-Western notes, 179, 183-184, 186-188, 225-228, 231*n*, 239-240, 255-256, 265-266, 275-277
Soviet Union, 835, 936-937
Trieste issue, 693-694, 701*n*, 712-715, 719-720, 1100
Unification of Germany, 813-814, 877
Eden plan. *See under* Berlin Conference.
Egypt, 709-710, 944, 1161
Ehlers, Hermann, 383, 537
Eichler, Willi G., 534*n*, 535
Eisenhower, Dwight D., 397, 1697*n*, 1914*n*
Adenauer correspondence, 491-494, 537-538
Adenauer visit, 426-427, 447, 453-456
Atomic energy talks, 1228-1229, 1231
Austria, 1727, 1935
State treaty, 1069, 1850, 1857-1860
Berlin, 1259-1261, 1345-1346, 1364-1365, 1383
Berlin Conference, 389, 748, 919, 973
China, People's Republic of, 1589
Churchill-Eisenhower meeting proposal, 689, 691, 711-712
EDC treaty, 428
European defense, 1626
France, 509-510
Germany, Democratic Republic of, 492-493, 1593
Food relief for, 1617-1618, 1623, 1650, 1664, 1702
Germany, Federal Republic of:
Four-power talks, 468, 1588
Rearmament, 509, 542, 600, 1588
United Kingdom, relations with, 469-470
United States, relations with, 426-427, 441, 447, 453-456, 470-471, 491-494, 537-538, 547-549, 586-587
U.S.-U.K. study group, 580
War criminals, 468-469
Indochina, 690-691, 1027-1028
Saar, 428-429
Soviet peace treaty proposals, 493-494
Trieste issue, 689-690
Unification of Germany, 1626
United Kingdom, U.S. relations with, 687, 689, 691*n*, 711-712
Elbrick, Charles B., 700*n*, 741*n*, 1682*n*, 1972*n*
Elections, all-German. *See under* Berlin Conference *and* Soviet peace treaty proposals.
Erhard, Ludwig, 415, 558-561
Erler, Fritz K.G., 381, 534*n*, 535
European Army, 675, 900
European Defense Community, 364, 618, 724-725, 948, 1161, 1214
Failure of, 572-575, 577-580
French position, 41, 552, 592, 695, 701-703, 895, 925, 954-955, 1020, 1150-1152, 1229-1230, 1461, 1537
German participation:
French position, 911, 946-947, 949, 1009
Soviet position, 815, 945-946, 949-950, 1009
U.K. position, 949-950, 980, 1011
U.S. position, 692, 830-831, 949, 986
German position, 40-41, 457-459, 462, 474-475, 483, 990, 1474
Legality of, 547, 556-557
Saar, 569, 1404, 1414, 1443-1445, 1465-1466, 1469-1470, 1477-1478, 1511
Soviet concerns, 933-934, 936-937, 948-950, 985-987
Soviet position, 250, 850, 900, 914-915, 948-949, 957, 1018-1019, 1218, 1223, 1450
Treaty ratification, 409-411, 413, 416-417, 428, 430-432, 446, 502-503, 506-507, 515-516, 542, 544-545, 548-549, 556-557, 1211-1212, 1229-1230, 1239, 1241, 1443-1444
U.K. position, 572, 850, 912, 936-937, 1229-1230
U.S. position, 514, 830, 899-900, 933-934, 987, 1151-1152, 1215, 1229-1230, 1469-1470
European integration, 357-361, 363-364, 376, 530, 914-915, 1025-1027, 1475-1478
European security. *See under* Berlin Conference.

Figl, Leopold:
Berlin Conference, 778, 802, 1062-1063, 1098-1100, 1138-1140
Neutrality of Austria, 1084, 1132
Political situation, 1744, 1842, 1845-1846
Soviet relations with Austria, 1750, 1779-1781, 1966
Troop withdrawal, 1082-1084, 1132-1134, 1136-1137
U.S. economic assistance, 1752-1761
U.S. relations with Austria, 1763-1765, 1779
Fisher, William D., 1458*n*, 1463*n*, 1497*n*
Foreign Operations Administration (FOA), 538-539
Foster, William C., 1818-1819
Four-power talks. *See under* Germany, Federal Republic of.

France (*see also France and French subheadings under* Berlin Conference; Germany, Federal Republic of; Saar; Soviet peace treaty proposals):
Atomic energy talks, 1228-1229
Austria, 802-804, 864, 1718-1721, 1874*n*, 1929
Occupation forces withdrawals, 918, 1897-1901, 1904-1906, 1917, 1930-1931, 1938, 1942-1943, 1982, 1984-1990
State treaty, 1062, 1065, 1717, 1733, 1735, 1737, 1786-1787, 1973
Berlin, 1289n, 1332n, 1333n, 1349, 1352, 1375, 1396-1397, 1399, 1401
EDC treaty, 41, 552, 592, 695, 701-703, 895, 1020, 1150-1152, 1229-1230, 1461, 1537
European defense, 1626
Germany, Democratic Republic of, food relief for, 1630, 1642, 1653-1655
Indochina, 704, 706-708, 720-721, 769, 859, 943, 997, 1905
Political conference, 1017
French position, 790-791, 819-820, 822-824, 964-965, 994-995, 1007, 1041, 1130, 1225-1227
Soviet position, 999, 1114, 1130, 1146, 1225-1226
U.S. position, 822-823, 942, 983, 994, 1007, 1113-1115, 1130-1131
Soviet position, 833-834, 905, 942-943, 996, 1080
U.K. position, 708, 841
U.S. assistance, 690-691, 701-703, 707, 1027-1028
U.S. position, 708, 838, 848, 853-854, 856, 942, 943-944, 977-978, 988, 1081
JCS position, 522-530
Korea, 705-706, 841
North Africa, 703, 823-824
Political situation, 11, 428
Public opinion, 741, 747-750, 768-770, 847
Soviet position, 825, 914
United States, relations with, 854
U.S. policy toward, 376, 585
François-Poncet, André, 10-11, 38, 76-77, 162-165, 182-183, 282-285, 551, 556, 1413, 1471, 1484, 1500-1503
Franks, Sir Oliver, 59-62, 271-273
Freimarck, George, 1743-1745, 1828*n*
Freund, Richard B., 887, 1904-1905, 1929*n*, 1938*n*, 1948, 1964*n*, 1969*n*, 1981*n*, 1990*n*, 1993*n*
Fuller, Leon W., 356-361, 482-484, 1802-1803, 1914*n*, 1934

Germany, Democratic Republic of, 928-929, 931, 946, 951, 968, 1578-1579, 1700-1701
Armed forces, 398, 406, 1157, 1277, 1673-1674
Communist state, transformation into, 1557-1558, 1559-1570, 1604-1605
Germany, Democratic Republic of—Continued
Food relief for, 1214, 1574-1575, 1600-1602, 1609-1614, 1633-1636, 1658-1662
Charitable organizations role in, 1656-1657
French position, 1630, 1642, 1653-1655
German Federal Republic position, 1615, 1619, 1640-1641, 1650*n*, 1651-1652, 1655, 1667-1668
Soviet position, 1618, 1628
U.K. position, 1630, 1639, 1642-1643, 1653-1655, 1664
U.S. position, 1616-1617, 1620-1624, 1629-1633, 1638-1639, 1643-1648, 1650, 1670-1673, 1702-1705
Fourth Party Congress, 1683-1696
Germany, Federal Republic of, 339, 342, 353-354, 1548-1550
Government strikes, Soviet position toward, 968
Isolation from West, 1545-1546
New course policy, 1645*n*, 1687, 1696
Political situation, 480, 482, 492-493, 1662-1663, 1669-1670, 1695, 1703-1704, 1707-1712
Refugees, 1582
Religion in, 1570*n*, 1580, 1583
Schuman Plan, position toward, 205
Security policies, 1689-1694
Sovereignty, 1572-1573, 1673, 1675-1683
Soviet advisers in government of, 1705-1706
Soviet Ambassador, replacement of, 1551-1552
Soviet Union, 257, 512, 611, 1320-1321, 1544-1546, 1553-1557, 1581-1583, 1645-1646, 1705-1706, 1713-1715
Terrorism charges by Communists, 1545, 1547-1548
Unification of Germany (*see* Unification of Germany)
Uprising in, 1584-1585, 1591-1599, 1606-1610
U.S. aid projects for, 1697-1702
U.S. diplomatic recognition of, 1570-1571
U.S. policies toward, 1665-1667
U.S. position, 351-352, 492-493, 931-932, 970-971, 1210
Germany, Federal Republic of (*see also* Berlin; Berlin Conference; Saar; Soviet peace treaty proposals):
Agreements with the United States (*see also* Contractual relations; Three-Power Relations Convention *below*):
Treaty of Friendship, Commerce, and Navigation, 450, 455, 592
Arbitration tribunal, 117, 120-128, 157-158
Armaments industry, 3, 7-8, 167
Armed forces, rebuilding of, 400-403, 406-407, 413-414

Germany, Federal Republic of—Continued
Assets in the United States, 574-577, 595-596
Atomic attack air defense, 408, 414, 419, 444
Atomic energy, 8, 78, 91, 167-168
Austrian State treaty, press reaction, 1108
Belgian security guarantees plan, 545-546, 548-549
Bonn agreements, 617-618, 914-915, 925, 945-947, 949-950, 954-955
Borders, 190-192, 259, 359-360, 423-424, 476, 490-491, 573, 637-638, 737, 769
Contractual relations, 2-3, 12-13, 43-44, 161, 164-166
Agreement title, 66, 72, 74-75, 90
Ambassadors' protocol, 15-19
Arbitration tribunal, 2, 14-15, 67-69, 85, 157-158
Armaments production, 73, 92-93, 98
Atomic energy, 78, 91
Berlin, 157, 162-163, 1238, 1243-1244, 1246-1250
Bundesrat approval, 53-54, 62-64
EDC treaty, 24-25
Financial contribution agreement, 2-5, 13, 34, 65, 82, 105-106
Convention, 142-158
Damages and compensation, 149-153, 158-161
French position, 94
German position, 48, 57-59, 69-71, 79-80, 81*n*
U.K. position, 3-5, 31, 51, 59-62, 79, 94
U.S. position, 3-5, 33-35, 48-53, 57-61, 70-72, 79-80, 81*n*
Foreign forces, rights and obligations convention, 3, 129, 131-141
Foreign Ministers meetings at Bonn, 87-89
French position, 54, 76-77, 93-94, 112
German Democratic Republic position, 353-354, 1548-1550
Germany, Federal Republic of, 2-3, 39-41, 45-47, 53-56, 63-66, 75-78, 86-87, 161-164, 1415
Guided missiles, 73-74, 92-93, 98
Human rights clause, 35-38, 41-43
Länder, 62-63, 76-78
Legislative sovereignty, 13-15, 83-84
Nondiscrimination clause, 65, 76
Pre-emergency clause, 21-22, 28-30
Preratification entry into force of, 90-91, 96-97, 106, 466
Ratification, 97-98, 111-112, 264*n*, 394, 405-407
Reparations, 84-85, 91, 98-102, 105
Security safeguards agreement, 3, 6, 5-12, 74, 93, 5-6, 8*n*, 10-12, 73-74, 92-93
Signing of, 109-112, 334-335
Site, 20-21, 23-24, 27, 31-33, 334-335
Soviet peace treaty proposals, 209, 212-213, 219, 224, 238, 278-274
Germany, Federal Republic of—Continued
Contractual relations—Continued
Tax exemption of forces, 62, 77-78
U.K. position, 2-3, 30-33
U.S. Congressional support for, 25-26, 34
U.S. position, 25-28, 66-69, 81-87, 109, 372
War criminals, 13, 67, 84, 91, 95, 108-111
Cultural convention, 403-404, 408, 420, 422, 446
Cyprus, position toward, 599
Defense contribution (*see also* Financial contribution agreement *under* Contractual relations *above*), 420, 434-436, 572, 623-624
Defense of, 114-116, 393, 395-396, 464-465, 483-484, 486-487, 521-527
East-West trade, 455-456
Economic situation, 355, 361-362, 511-512, 558-559
Offshore procurement, 418, 420, 441, 451, 560-562
U.S. trade relations, 422, 441-442, 450-453, 455-456, 572
Elections (*see also* Elections, all-German *under* Berlin Conference *and* Soviet peace treaty proposals), 1624-1625
European defense, participation in, 513-514
European integration, 363-364, 367, 372-373, 458-459, 410, 513-514, 516, 518-519
Foreign policy, 357-358, 388-389
Foreign relations, 1246, 1248-1250
Four-power talks (*see also* Berlin Conference), 565, 1598-1599, 1627, 1938
European socialist parties position, 368-369, 370n
French position, 279-280, 498
German position, 266*n*, 269-270, 274-275, 475, 484-485
U.K. position, 279-280, 315-316
U.S. position, 279-280, 291, 296-297, 308-309, 319-321, 324-326, 355, 368-370, 468, 472-473, 481
France, relations with, 284, 334
French-German unity, 1473-1478
French position toward (*see also French subheadings under* Berlin; Berlin Conference; Saar; Soviet peace treaty proposals), 359, 373, 498, 927
Germany, Democratic Republic of, 342, 351-352, 482, 776, 894-895, 930-931
Food assistance to, 1214, 1615, 1619, 1640-1641, 1650n, 1651-1652, 1655, 1667-1668
Relations with, 295, 339, 567
Human rights declaration, 35-38, 41-43
Integration with West:
Soviet position, 250-251

Germany, Federal Republic of—Continued
Integration with West—Continued
U.S. position, 196-198, 205-206, 363-364, 367, 372-373, 410
Israeli reparations, 103, 104*n*, 335
Jurisdiction, rights of, 13-15, 83-84, 129, 131-141, 1246, 1248-1250
Kommandatura, relationship to, Allied declaration, 1246-1250
Korea, medical unit for, 414, 426
National Army for, 551-555, 1476
NATO membership, 362-363, 393, 398, 753
Occupation termination, 43-44, 109-111
Otto John case, 585-590
Peace treaty (*see* Berlin Conference; Soviet peace treaty proposals)
Police forces, 423-424, 476, 490-491, 573, 1154-1157, 1169-1170
Political situation, 362, 495-496, 499, 547, 563-565, 569-572, 581-583, 590-591
Bundestag elections, 390-391, 419, 431-432, 478-481
CDU, 393, 582, 776-777
Contractual relations agreement, 38-39, 45-47, 97
Elections, 394, 459
FDP, 582, 590
Four-power talks, 487-489, 495
Saar, 569, 1446, 1518
Soviet position, 336, 640
SPD, 38, 381-382, 393-394, 397-400, 487-488, 495, 532-536, 591, 743-745, 763-764, 907, 938-939, 1363
Treaties, 393-394, 397-400, 550-551, 569-570
Potsdam agreement, 190, 252, 259, 274, 294, 619, 825, 912, 926, 968, 1782
Rearmament (*see also* Contractual relations *above*), 509, 521, 541-543, 1588
German position, 593, 600
Soviet position, 618, 620, 662, 753
U.S. position, 503-508, 584, 600
Refugees, 407-408, 411, 414-420, 423, 439-440, 475, 1214
Reparations, 84-85, 91-92, 103, 104*n*
Rest home for U.S. soldiers, 414, 419
Security controls for, 10, 815-816, 962
Soviet policy, U.S. position toward, 351-352, 363, 471-473
Soviet position, 513, 815-816
Three-Power Relations Convention, 102-103, 106-108, 112-128, 416
Trade unions, 393
U.K. economic assistance, 1010
U.N. membership, 172, 393
U.N. role in, 174-175, 212, 216-217
United Kingdom, relations with, 456-457, 469-470, 474-475
United States, relations with, 331-332, 373, 403-404, 413, 457-461, 586-587
Adenauer-Eisenhower correspondence, 460-461, 463, 491-494, 497, 537-538
Germany, Federal Republic of—Continued
United States, relations with—Continued
Adenauer visit, 332-333, 405, 412-421, 424-425, 447, 592-600
Communiqué, 418-419, 445, 453-456, 594-595, 600
Talks, 426-436, 438-446
Ambassadors, 432-433, 466-467, 470
Bermuda Conference, 470-471, 557
Bundestag leaders visit, 409-411, 566-568
EDC treaty, 574-576
Hallstein visit, 544-550
High Commissioner, Ambassador status for, 432-433
Trademarks and copyrights, 451-452
U.S. economic assistance, 348-350, 418, 420, 441, 451, 560-562
U.S. military assistance, 74*n*, 436-438, 451-452, 538-539
U.S. military intervention, possible, 346
U.S. policy toward, 328-332, 349-353, 477-478, 501-508, 521-531, 538-540
NSC position, 510-520, 540-544
Psychological approach, 336-339, 346-348, 370-380, 386-387
U.S. media guidance reports, 341-345
Visits by East Zone residents, 1701-1702
War criminals, 56, 91, 392-393, 420, 434, 442-444, 466-469
Gerstenmaier, Eugen, 55-56, 685, 777, 1504-1505, 1525
Gifford, Walter A., 209-210, 215-217, 225-231, 233, 239-240, 265-266, 309, 313-317, 321-323, 1784-1785
Gleason, S. Everett, 1243, 1856*n*
Goes van Naters, Marinus van der, 1452-1453, 1489, 1497-1498, 1532
Grandval, Gilbert, 1420-1421, 1430, 1440, 1532, 1538
Grewe, Wilhelm, 22, 754, 777*n*, 851-852, 865-866
Gromyko, Andrei Andreyevich, 1216, 1830-1832
Grotewohl, Otto, 180*n*, 342, 354, 1561, 1563, 1657
Gruber, Karl, 1745, 1763, 1765, 1771*n*, 1813, 1843, 1871-1872, 1905-1908, 1927, 1984
Austrian State treaty:
Austrian position, 1785-1787, 1796-1797, 1849-1850, 1866-1868, 1877-1878
Negotiations, 1829-1830, 1838, 1877-1879, 1881, 1958-1959
U.N. role in, 1766-1768, 1774, 1812
Gruenther, Lt. Gen. Alfred M., 685, 1727, 1899, 1925, 1932, 1943, 1950, 1977-1978

Hadsel, Fred L., 1792*n*, 1797*n*

Hallstein, Walter, 344-345, 544-550, 1238-1239
Adenauer visit to the United States, 332-333, 428-430, 439-446
Belgian security guarantees plan, 545-546, 548-549
Berlin Conference, 629, 682*n*, 685
EDC treaty, 457, 459, 484, 544-545, 547-549
Four-power talks, 459-460, 484-485
Germany, Federal Republic of, 3, 5–7, 13, 62–63, 334–336, 457–459
Saar, 333-335, 446-447, 545, 548
Administrative government, 1403-1404
Borders, 1423, 1426
Economic situation, 1423, 1426, 1429, 1431, 1494
Elections, 1429, 1431
Europeanization, 1493, 1522
French-German negotiations, 1428-1432, 1464, 1482*n*, 1483-1484, 1517, 1530, 1533
German position, 1468-1469, 1520-1524
Joint declaration proposal, 1403-1405
U.S.–U.K. role, 1428, 1521
Soviet peace treaty proposals, 280-282, 333
Hamilton, William L., 1914
Harriman, W. Averell, 1757-1759
Harris, Michael S., 1337, 1375-1378, 1600-1601
Helmer, Oscar, 1877–1878, 1962–1963
Heuss, Theodor, 100-101
Hillenbrand, Martin J., 176*n*, 1243*n*, 1284*n*, 1418*n*
Holmes, Julius C., 184*n*, 217*n*, 226, 1732-1733, 1830-1834
Humphrey, George M., 579, 1364
Hungary, 441, 566, 1885

Ilyichev, Ivan Ivanovitch, 1551-1552, 1877, 1961, 1992-1993
India, 706, 891, 917, 1771*n*, 1867-1868, 1871
Indochina. *See under* France.
International Bank for Reconstruction and Development (IBRD), 1971-1972
Irwin, Lt. Gen. LeRoy, 1727, 1730-1732
Israel, 103, 104n, 335, 696, 710, 720-721, 944
Italy, Trieste issue, 689-690, 692-694, 698-701, 712-715, 719-720

Jackson, C.D., 505, 1620*n*
Berlin, 1365, 1588-1589
Berlin Conference, 878-880, 887, 919-922, 1031-1034
Press reactions, 838, 868, 886, 907, 939, 950-951, 1108
Germany, Democratic Republic of, 611, 1587-1589, 1608-1609, 1642
Soviet Union, 612-614, 1031-1034, 1215-1220
Jacquin de Margerie, Roland, 626, 819-821, 823, 1093-1094
Jessup, Philip C., 25*n*, 196-198, 203*n*, 210*n*, 217*n*, 240*n*, 258*n*, 263*n*, 267*n*, 271*n*, 282*n*, 317*n*, 319*n*, 1284*n*, 1766-1768, 1771*n*, 1801-1802
John, Otto, 585-590
Joint Chiefs of Staff, 521-531, 1818-1819, 1860, 1899-1900, 1925, 1932
Jones, John Wesley, 1954*n*, 1958, 1964*n*, 1969*n*, 1972*n*

Kamitz, Reinhard, 1769, 1962
Kellermann, Henry J., 403*n*, 585*n*, 589*n*, 1284*n*
Kennan, George F., 252-253, 260*n*, 301-304, 362-366, 1301*n*, 1770
Kenney, W. John, 1755-1760, 1813, 1815-1817
Kidd, Coburn B., 499*n*, 587*n*, 609*n*, 624*n*, 637-638, 648*n*, 691*n*, 741*n*, 1329*n*, 1435*n*, 1449-1451, 1452*n*, 1463*n*, 1682*n*, 1914*n*
Kirkpatrick, Sir Ivone A., 10-12, 38, 54, 64-65, 73-74, 162-165, 183, 207-208, 225, 500, 551
Knight, Ridgway B., 635, 638, 654*n*, 691*n*, 1328*n*, 1442*n*, 1453*n*, 1705-1706, 1803*n*, 1804*n*, 1806*n*, 1850-1852, 1861*n*, 1862*n*
Koerner, Theodor, 1806*n*, 1842, 1970
Korea, 414, 639-640, 704-706, 720, 794-795, 812, 814, 816, 825, 830-831, 841-843, 845-848, 856, 867, 884, 1157, 1589
Panmunjom negotiations, 704-705, 816, 831, 839
Political conference (*see* Five-power conference issue *and* Korean political conference *under* Berlin Conference.
Kreisky, Bruno, 1132-1133, 1875, 1880, 1907, 1957, 1966, 1991-1992
Krekeler, Heinz H.L., 555-558, 576

Land, Hans A., Jr., 1736*n*, 1771*n*, 1828*n*, 1914*n*
Laniel, Joseph, 683, 687, 702, 720, 1461
Laukhuff, Perry, 17*n*, 25*n*, 173*n*, 177*n*, 185*n*, 195-196, 203*n*, 210*n*, 217*n*, 220*n*, 232*n*, 234*n*, 240*n*, 254*n*, 258*n*, 263*n*, 298*n*, 300-301, 305*n*, 310*n*, 317*n*, 319*n*, 333, 368*n*, 1243*n*, 1253*n*, 1291*n*
Lay, James S., Jr., 1914*n*, 1932*n*, 1974*n*
Le Roy de la Tournelle, Guy, 260-261, 300*n*, 1426, 1428, 1443-1444
Lewis, Geoffrey W., 17*n*, 20*n*, 35*n*, 41*n*, 57*n*, 195, 203*n*, 368*n*, 486*n*, 490*n*, 520*n*, 585*n*, 586*n*, 1284*n*, 1332*n*, 1360*n*, 1366*n*, 1367*n*, 1424*n*, 1620*n*
Berlin, 561, 1242, 1281, 1283, 1371-1378
Germany, Federal Republic of, 538-539, 549-550
Limor, 1750, 1753-1754, 1756, 1758-1759, 1765*n*, 1813-1816, 1820
Linder, Harold F., 441-442, 452, 1752
Linse, Walter, 1280-1281, 1283, 1297-1298, 1305-1307, 1384-1385
Lloyd, John Selwyn (Brooke), 226, 474, 696, 709, 713

Lodge, Henry Cabot, Jr., 36, 1228
Loewenthal, Max, 1747-1748, 1753-1755, 1758
Lovett, Robert A., 33-35, 1259-1260
Lyon, Cecil B., 304*n*, 572*n*, 586*n*, 1244*n*, 1320*n*, 1361*n*, 1395*n*, 1497*n*, 1509*n*, 1517*n*, 1678*n*, 1682*n*
Germany, Democratic Republic of, political situation, 1579-1580, 1584, 1591-1592, 1610, 1662-1663, 1669-1670
Germany, Federal Republic of, contractual relations, 353-354, 1548-1550

MacArthur, Douglas, II, 470*n*, 477*n*, 486*n*, 538*n*, 648*n*, 654*n*, 688*n*, 691*n*, 741*n*, 761*n*, 98[illegible], 1442*n*, 1444*n*, 1469*n*, 1473*n*, 1474*n*, 1497*n*
Austria, 840, 1855-1857, 1926-1927
Berlin Conference, 784-785, 846, 907, 938, 951, 1093-1094, 1159-1160
Agenda, 819-821, 837, 1003
Five-power conference issue, 786, 837, 891, 1034
Preparations for, 634, 636, 647, 728
Disarmament, 868, 887
McBride, Robert H., 1415*n*, 1418*n*, 1424*n*, 1435*n*, 1452*n*, 1465*n*
McCloy, John J., 100-101, 1415*n*
Berlin, 162-163, 339-340, 345-346, 1239-1240, 1277-1278
EDC treaty, 40-41, 1414
French political situation, 9-11
Germany, Democratic Republic of, 339
Germany, Federal Republic of:
Contractual relations, 2-3, 9-12, 15-16, 21-24, 28-30, 37-41, 43-47, 62-63, 72, 74-78, 81-87, 101-103, 164-166, 224, 405-408
Bundesrat approval, 53-54, 62-64
Financial contribution agreement, 4-5, 48-53, 69-72, 79-81
German political opposition, 55-56, 63-66, 86-87
Security control agreement, 9-12
Israeli reparations, 103-104
Political situation, 10-11, 38-39, 45-47, 336
Rearmament, 406-407
Refugees, 407-408
United States, relations with, 346, 348-349, 405
U.S. policy toward, 328-330, 336-339, 341-348
Saar, 1404-1405, 1408, 1413-1414
Soviet peace treaty proposals, 207-208, 217*n*, 223-224, 273-275, 282-288
McConaughy, Walter, 725*n*, 786, 838, 891*n*, 1016-1017, 1106*n*, 1129*n*
McDermott, Michael J., 203, 333
Macmillan, Harold, 1977-1978, 1979*n*
Maier, Rheinhold, 46-47, 405, 488
Makins, Roger M., 647, 1905, 1986
Malik, Yakov Aleksandrovich, 837, 1129-1131, 1159-1160, 1865
Margolies, Daniel F., 13*n*, 17*n*, 450*n*, 559*n*, 562, 1238*n*, 1253*n*, 1367*n*
Massigli, René, 173*n*, 184*n*
Mathewson, Maj. Gen. Lemuel A., 282, 1257, 1276-1277, 1294
Matthews, H. Freeman, 20*n*, 35*n*, 41*n*, 57*n*, 173*n*, 185*n*, 197, 210*n*, 232*n*, 234*n*, 254*n*, 258*n*, 263*n*, 340*n*, 341*n*, 499*n*, 609*n*, 624*n*, 1241-1243, 1284*n*, 1285*n*, 1288*n*, 1291*n*, 1328*n*, 1329*n*, 1360*n*, 1435*n*, 1452*n*, 1797*n*, 1828-1829, 1861*n*
Mayer, André, 490*n*, 1461
Mayer, René, 412, 417, 428
Maynard, David M., 1302, 1362-1363, 1574-1575
Mendès-France, Pierre, 590*n*, 1982, 1984-1990
Merchant, Livingston T., 477, 538*n*, 572*n*, 577-580, 609*n*, 614*n*, 624*n*, 654*n*, 700*n*, 733, 741*n*, 761*n*, 853-854, 1005-1007, 1077*n*, 1093-1094, 1129-1131, 1150*n*, 1346-1347, 1444*n*, 1497*n*, 1666*n*, 1850*n*, 1861*n*, 1978-1979, 1986, 1990*n*, 1993-1997
Merkatz, Hans Joachim von, 55-56, 410-411, 537
Michalowski, Raymond V., 1305, 1570
Millar, Frederick R. Hoyer, 1529-1530
Molotov, Vyacheslav Mikhailovich, 811, 825, 834-835, 914-915, 948-949, 1085-1086, 1223-1224, 1588, 1958
Atomic weapons, 816, 818, 902-903, 1077-1078
Austria, 817, 876, 1064-1065, 1080, 1168-1169
Soviet proposals, 1064-1065, 1082, 1084-1086, 1098-1100, 1135-1137
State treaty, 1064-1065, 1085
Berlin Conference, 810, 814, 958, 1008-1009, 1172
Agenda, 814, 817, 843-844, 850, 861-863, 871, 982
Austrian participation, 876
Chinese People's Republic participation, 815-817, 995-996, 999
Communiqué, 1165-1166
Elections, all-German, 850-894, 956-957, 967-969
Eden proposal, 893-894, 956-957
Five-power conference issue, 815-817, 824-827, 833, 840, 992, 995-996
German participation, 874-877, 913, 1008
Postwar debts, 980-981, 1008
Soviet European collective security pact proposal, 1122-1123
Soviet proposals of February *1954*, 1018-1019, 1022-1023, 1037-1038, 1040, 1043-1045, 1135-1137
China, People's Republic of, 826, 861, 882-885, 890
Disarmament, 816, 842, 860, 862, 871-872, 992, 1143-1144
East-West trade, 816-817, 842-843
EDC treaty, 815, 850, 914, 936-937, 945-946, 948-950, 957, 984-987, 1009-1010, 1018-1019, 1022, 1100, 1223

Molotov, Vyacheslav Mikhailovich—Continued
European security, 815-816, 894, 913-915, 986-988, 1010, 1018-1019, 1022, 1121-1122, 1152-1155, 1170-1171
Germany, Democratic Republic of, 968, 1618-1619
Germany, Federal Republic of, 815-816, 945-946, 949-950, 969, 984, 986, 1008-1009
Indochina, 996, 1080, 1114, 1146, 1226
Korea, 825, 843, 884
Political conference, 996-999, 1000, 1040, 1043-1045, 1047, 1049, 1055-1056, 1058-1059, 1080, 1110, 1112-1114, 1145-1147, 1163
North Atlantic Treaty Organization, 882, 936-937, 1018-1019, 1022
Soviet peace treaty proposals, 915-916
Unification of Germany, 956
United Nations, five-power role in, 826, 843, 860
U.S. relations with the Soviet Union, 1216-1217, 1219
Montenegro, Daniel W., 1253*n*, 1279*n*, 1284*n*, 1288*n*, 1332*n*, 1347*n*, 1609*n*
Morgan, George A., 1613-1614, 1638-1639
Morris, Brewster H., 310*n*, 397*n*, 399-400, 403*n*, 450*n*, 477*n*, 534*n*, 614*n*, 654*n*, 667*n*, 761*n*, 867-868, 1291*n*, 1295*n*, 1317, 1319, 1328*n*, 1367*n*, 1424*n*, 1435*n*, 1442*n*, 1453*n*, 1458*n*, 1465*n*, 1497*n*
Muehlenfeld, Hans, 45-46, 55-56
Murphy, Robert D., 583, 589*n*, 700*n*, 1497*n*, 1509*n*

Nash, Frank, C., 71, 436-438, 443, 451
National Security Council:
Actions:
No. *778*, 1860, 1873
No. *817*, 1590
No. *885*, 1872n
Austria, 1857, 1872-1874, 1910, 1913, 1918*n*, 1932-1936, 1938-1943, 1974-1976
Berlin, 1552
Documents:
NSC *38/4*, 1872-1873
NSC *38/6*, 1857, 1872-1873
NSC *132/1*, 1261-1269, 1347-1360, 1375-1376, 1552
NSC *152/2*, 1919
NSC *160*, 502-504, 1641
NSC *160/1*, 510-520, 538-540
NSC *164*, 1910, 1913, 1918*n*
NSC *164/1*, 1935-1936, 1938-1943, 1974-1976
NSC *5404/1*, 1390-1395
Meetings:
*118*th (June *11, 1952*), 1258-1261
*159*th (August *13, 1953*), 501-508
*164*th (October *1, 1953*), 540-543, 1364-1365
*167*th (October *22, 1953*), 718-721
*174*th (December *10, 1953*), 1382-1383
*181*st (January *21, 1954*), 781-782
National Security Council—Continued
Meetings—Continued
*186*th (February *26, 1954*), 1221-1232
Nehru, Jawaharlal, 1771*n*, 1868
Nes, David G., 1819*n*, 1846*n*
Niemoller, Martin, 353-354
Nitze, Paul H., 195, 234*n*, 263*n*
Nixon, Richard M., 503, 505-506
Nolting, Frederick R., 559*n*, 560-562, 1367-1368, 1388-1390
North Atlantic Treaty Organization (NATO), 364, 863, 882, 933, 986, 1019-1020
German membership, 362-363, 398, 753, 900, 1018-1019
U.K. position, 936-937
U.S. position, 362-363, 398, 899-900

O'Connor, Roderic L., 691*n*
O'Daniel, John W., 1028
Oder-Neisse Line, 182-183, 359, 737, 1439
Ohly, John H., 1338
Ollenhauer, Erich, 381-382, 393, 397-398, 399-400, 407, 535, 743-745, 763-764, 990
Operations Coordinating Board (OCB), 1938-1943, 1974-1976
Ophuels, Carl F., 1513
O'Shaughnessy, Elim, 1616*n*

Paris agreements. *See* European Defense Community.
Parkman, Henry, 1399-1402, 1673, 1675-1676, 1680-1683, 1689-1694, 1703-1704
Payart, Jean, 1718-1720, 1728-1729
Penfield, James K., 1721-1722, 1991-1993
Perkins, George W., 20*n*, 25*n*, 173*n*, 177*n*, 217*n*, 258*n*, 263*n*, 319*n*, 395*n*, 397*n*, 1288*n*, 1408*n*, 1424*n*, 1435*n*, 1736*n*, 1749*n*, 1757*n*, 1771*n*, 1797*n*
Austria, 1721, 1724-1725, 1751-1755, 1757-1758, 1760-1761
State treaty, 1797-1799, 1803-1804, 1825-1826
Pfleiderer, Karl G., 381, 582-583
Pinay, Antoine, 1422, 1492
Pleven, René, 702, 1422
Poland, 182-183, 358, 566, 638
Popper, David H., 1971*n*
Potsdam agreement, 190, 252, 259, 274, 294, 619, 825, 912, 926, 968, 1782
Psychological Strategy Board (PSB), 1589-1590, 1610, 1613
PSB D-*21*, 370-380

Raab, Julius, 1845-1846
Austria:
Occupation forces withdrawal, 1905-1906, 1936-1937, 1982-1983
Political situation, 1848-1849, 1908-1909
Soviet relations with, 1869*n*, 1871, 1947-1948, 1953, 1961-1962
State treaty, 1866-1867, - 1877-1879, 1882, 1953, 1956-1957

Radford, Adm. Arthur, 542, 1383, 1911-1912, 1932-1934
Raymond, John M., 13*n*, 17*n*, 403*n*
Reber, Samuel, Jr., 257-258, 269-270, 392-394, 397*n*, 465*n*, 471-473, , 1254-1255, 1303-1304, 1717, 1732-1734, 1784-1785, 1826
Reinstein, Jacques, J., 5*n*, 57*n*, 448-449, 450*n*, 538*n*, 561
Reuter, Ernst, 219, 231*n*, 238, 282, 408, 479-480, 488, 1235-1238, 1302-1304, 1315-1322, 1325-1326, 1333, 1344-1346, 1362, 1371, 1660-1661
RIAS, 1576-1578, 1594*n*, 1599, 1611
Riddleberger, James W., 254*n*, 263*n*, 271*n*, 305*n*, 319*n*, 340*n*-341*n*, 395*n*, 397*n*, 399-400, 403*n*, 412-419, 444-445, 452, 466, 477*n*, 490, 1277, 1284*n*, 1288*n*, 1291*n*, 1295*n*, 1322, 1328*n*, 1329*n*, 1415*n*, 1444*n*, 1609-1613
Ridgway, General of the Army Matthew B., 600, 1912, 1978*n*
Roberts, Frank K., 1828*n*
  Berlin Conference, 752-753, 820, 839, 850, 890-891, 1094, 1160
  Germany, Federal Republic of, 26, 475
  Soviet peace treaty proposals, 226, 239-240, 299*n*
Ruffin, Henri, 669*n*, 1993*n*
Rundfunk im Amerikanischen Sektor (RIAS), 1576-1578, 1594*n*, 1599, 1611
Rutter, Peter, 1722-1723, 1725*n*, 1736*n*, 1751-1755, 1787*n*, 1806*n*, 1861*n*, 1869*n*, 1914*n*

Saar, 1403-1404, 1538, 1542-1543
  Borders:
    French position, 1412, 1421, 1426, 1472, 1484-1485
    German Federal Republic position, 429, 1407*n*, 1412, 1414, 1423, 1426, 1439, 1447, 1472, 1482-1483, 1489
    U.K. position, 1416
    U.S. position, 1416, 1487
  Council of Europe report re, 1452-1453, 1459, 1493-1495
  Economic situation, 1417
    Coal and steel ownership, 1481-1482, 1489, 1495, 1499, 1506-1507
    Currency, 1493-1494, 1498, 1512
    Duty-free industries, 1515-1516
    French economic interests, 1433, 1535
      Council of Europe position, 1453, 1494
      French position, 1407-1408, 1410, 1426, 1428, 1431, 1434-1435, 1448, 1471-1473, 1482, 1494
      German position, 1423, 1426, 1429, 1440, 1447, 1471, 1482-1483, 1494, 1496*n*
      U.K. position, 1417
      U.S. position, 1417, 1419, 1437, 1446, 1487
Saar—Continued
  Economic situation—Continued
    German economic interests, 415, 1447-1448, 1481-1482, 1500-1504, 1506-1507, 1512, 1515, 1523, 1532-1533, 1535
  EDC treaty ratification and, 411, 428, 431, 545, 569, 1211-1212, 1404, 1443-1445, 1465-1470, 1473-1478, 1511, 1537
  Elections:
    Council of Europe position, 1494
    French position, 1412, 1420-1421, 1426, 1431, 1433-1434, 1481, 1491, 1494-1495
    German Federal Republic position, 1412-1413, 1422, 1426, 1429, 1431, 1440-1441
    U.K. position, 1417, 1441
    U.S. position, 1417, 1419, 1437-1438, 1441, 1446
  Europeanization of, 1413, 1506, 1534
    Council of Europe position, 1453
    French position, 355, 1426-1427, 1471-1472, 1484, 1491, 1493, 1496, 1503, 1514, 1525
    German Federal Republic position, 355-356, 358, 1423, 1426, 1471-1472, 1484, 1493, 1496*n*, 1503, 1519, 1522
    U.K. position, 1416-1417
    U.S. position, 1417, 1436, 1442, 1489, 1496, 1498, 1511-1512
  Final settlement, 1417-1419, 1423, 1436, 1445-1448, 1461, 1488, 1523-1524
  French-German negotiations, 417, 1407, 1412, 1472-1473, 1491-1492, 1504, 1530-1533
    French position, 1407, 1410, 1412, 1420-1421, 1430-1432, 1455-1456, 1460, 1513, 1531-1533
    German Federal Republic position, 412-413, 447, 1429-1430, 1439, 1464, 1479-1480, 1483, 1488, 1520, 1531-1533
    U.K. position, 1454
    U.S. position, 417, 1407-1409, 1424, 1435-1438, 1453-1454, 1457-1459, 1461-1466, 1486, 1495, 1505-1507, 1517, 1529-1530, 1532
  French position, 358, 412, 431, 571, 596, 703, 1151, 1211, 1411*n*, 1415, 1443-1444, 1449-1452, 1490-1491, 1513-1516
  German Federal Republic position, 164, 333, 417-418, 420-421, 431, 545, 551, 556, 569, 571, 596-598, 1211-1212, 1443-1444, 1449, 1451, 1454-1455, 1468-1469
  German proposal of May *2*, 1518-1527
  Joint declaration proposal, 1404-1405
  Political autonomy, 1412, 1417, 1448, 1481

Saar—Continued
Political situation:
New political parties issue:
French position, 1421, 1427-1428, 1433, 1505
German Federal Republic position, 1403-1404, 1413, 1422-1423, 1433
U.S. position, 1425, 1436-1438, 1499, 1505, 1511
Schuman Plan seat of authority, 1412, 1416, 1423
Strasbourg agreements, 1534-1535
French position, 1536-1539, 1542
German Federal Republic position, 1539-1540
U.S. position, 335, 355-356, 358, 445, 552, 555-556, 584-585, 596-598, 1211-1213, 1404-1406, 1414, 1418-1420, 1442-1443, 1449-1451, 1459-1460, 1497-1500, 1540-1542
U.K. position, 1416, 1418-1420, 1459-1460, 1510-1512
U.S.-U.K. role in, 1414, 1415, 1418-1420, 1488-1490, 1495, 1497-1499, 1503-1504, 1508-1512, 1517, 1521, 1528-1529, 1535
Sandifer, Durward V., 41*n*, 1777-1779
Sauvagnargues, Jean, 490, 671*n*, 1072, 1485
Schaeffer, Fritz, 47-48, 50*n*, 51-53, 55-56, 62-66, 69-72, 76, 383
Schaerf, Adolf, 1740-1741, 1743-1745, 1763-1765, 1781-1782, 1871, 1882, 1944
Schmid, Carlo, 383, 566-567
Schoener, Josef, 849, 1070-1071, 1091-1092
Schreiber, Walter C.R., 1362, 1366*n*, 1372, 1378-1381
Schroeder, Gerhard, 409, 411, 537, 588*n*
Schuman, Robert, 238, 331, 1717
Germany, Federal Republic of:
Armaments production, 7, 92-93
Contractual relations, establishment of, 3, 12-13, 32-33, 54, 57-62, 76-77, 89-90, 92-93, 98-109, 161, 331
Three-Power Relations Convention, 118, 142, 158
Saar, 1426-1428, 1433-1434
French economic interests, 1407, 1410, 1426, 1431, 1434-1435, 1440
French-German negotiations, 1407, 1409-1410, 1430-1433
Soviet peace treaty proposals:
Elections, all-German, 227-228, 260-261, 265*n*, 276, 281
Soviet-Western exchange of notes, 186-188, 227-228, 255-256, 263-264, 265*n*, 275-277
Schuman Plan, 205, 1790
Schumann, Maurice, 176, 1455-1456, 1473, 1490-1491, 1496, 1504*n*, 1505, 1513-1516, 1520-1521, 1525-1527, 1530, 1536-1537
Schwartz, Harry H., 868, 1275*n*
Semyenov, Vladimir Semyonovich, 480, 901, 1297-1298, 1578, 1627-1628, 1632-1633
Seydoux de Clausonne, François, 89-100, 728, 840, 1128, 1160, 1472, 1485, 1532, 1987
Smith, Walter Bedell, 365, 557, 700-701, 988, 1092-1093, 1861*n*
Atomic energy, 568, 1073-1074
Austria, 566, 1846-1848, 1872-1874
State treaty, 1862-1865
Berlin, 1259-1260, 1329-1332, 1339-1341, 1360-1361
Berlin Conference, 609-611, 624-626, 645-647, 725-726, 782-783
German Federal Republic relations with United States, 403-404, 450-453, 467, 556-557
Saar, 556, 568, 1458-1459, 1517, 1541-1542
Unification of Germany, 410-411, 566, 782
Soviet bloc, 356, 926, 934
Soviet peace treaty proposals, 169-172
Borders provision, 172, 191-192, 199, 201, 211, 259
Elections, all-German, 174-175
Four-power commission of inquiry, 245-246
East-West German representatives, 296, 314, 316, 320, 322, 326
French position, 260-262, 280
German position, 280-281
Soviet position, 296
U.K. position, 231, 280, 316
U.S. position, 211-212, 276, 280, 289-291, 306-308, 326
French position, 227-228, 278-280
German position, 207-208, 223
Soviet position, 200, 248
U.K. position, 216-217, 225-226, 230, 268, 278-280, 314-316
U.N. commission, 191, 211-212, 216-217, 221, 230-231, 245-246, 248, 261, 270
U.S. position, 208, 221-222, 244-247, 259, 278-280, 320-321, 325-326, 493-494
Foreign alliances provision:
Soviet position, 171, 191, 201, 249-252, 294-295
U.K. position, 191*n*, 216, 229-230
U.S. position, 190, 220, 243-244, 306
Four-power talks:
French position, 223-224, 227-228, 279-280
German Federal Republic position, 207, 223, 266*n*, 269-270, 274-275
U.K. position, 223-225, 279-280, 315-316
U.S. position, 214, 279-280, 291, 296-297, 308-309, 319-321, 324-326
French position, 186-188, 194, 924-925, 927
German Federal Republic position, 182-183, 187, 207-208, 333, 433-434, 594-595

Soviet peace treaty proposals—Continued
Germany, Federal Republic of, contractual relations agreement, 209, 212-213, 219, 224, 238
Military provisions, 172, 191n, 192, 201, 205, 216, 252
Soviet notes and Western replies:
March *10, 1952*, 169-172, 189-191
U.S. position, 173-175, 177-181, 183-185, 189-190, 192-193, 204
April *9, 1952*, 199-202
French position, 226-228, 239-240
German position, 207-208, 226
U.K. position, 209-210, 215-217, 225-226, 228-231, 239-240
U.S. position, 202-203, 210-212, 217-222, 232-237, 240-247
May *24, 1952*, 247-252, 270-271, 277-280, 288-291
French position, 255-256, 260, 261-263, 265*n*, 268, 271-273
German position, 280-287
U.K. position, 256, 264-266, 269, 272
U.S. position, 252-260, 263-265, 267-268, 271-272, 283-284, 287-291
August *23, 1952*, 292-297
U.K. position, 299*n*, 309, 313-317, 321-323
French position, 300-301, 322-323
German position, 311-321
Kennan analysis, 301-304
U.S. position, 298-299, 301-311, 317-321, 324-326
Soviet position, 169-172, 191-192, 199-202
U.K. position, 172-173, 176-177, 186, 188, 190*n*, 191*n*, 209-210, 262*n*, 263*n*
Unification of Germany, 194, 229, 250-251, 259
U.S. position, 203-206, 216, 224-225, 352, 427
Soviet Union (*see also* Soviet peace treaty proposals *and Soviet Union and Soviet subheadings under other subjects*):
Atomic energy, 546, 641, 816, 857
Atomic energy talks, 794, 902-903, 1077-1078, 1140-1141, 1228-1229
Austria:
Bilateral negotiations, 1779-1780, 1947-1948, 1950-1953, 1955
Commercial treaty with, 1779-1780
Confiscation of police weapons, 1824-1825, 1884
Occupation costs, 1718-1721, 1874, 1888
Policies toward, 1882-1893, 1946-1947, 1993-1995
Property claims in, 1783-1784
Relations with, 1750, 1866, 1868-1872, 1947-1948, 1953, 1961-1969, 1992-1993
State treaty, 1718, 1770-1771, 1774-1777, 1784, 1793-1794
Berlin, 339, 1236, 1242, 1595-1597
Soviet Union—Continued
Bonn agreements, 945-946
China, People's Republic of, 640, 917, 1227
Disarmament, 816, 842, 857, 860, 862, 867, 871-872
East-West trade, 816-817, 842-843, 1227-1228
EDC treaty, 250, 880, 900, 914-915, 933-934, 936-937, 948-950, 957, 985-987, 1018-1019, 1218, 1223, 1450
Germany, Democratic Republic of, 257, 1544-1546, 1553-1557, 1585, 1645-1646, 1705-1706
German peace treaty (*see* Berlin Conference; Soviet peace treaty proposals)
Potsdam agreement, 294, 619, 825, 968
Trieste, 1085, 1718
U.N. position toward, 659-660
United States, relations with, 857, 1232-1233
U.S. position toward, 365-366, 471-473, 817, 828, 1077-1078, 1215-1220
Spaak, Paul-Henri, 571, 1531-1532
Stalin Josef V., 433, 1320, 1844
Stassen, Harold E., 439-440, 442, 504, 507, 541-542, 1323, 1325-1326, 1587-1589, 1614, 1697*n*, 1859, 1911-1912
Steere, Loyd V., 563-565, 976-977, 1651-1652
Stoph, Willi, 343, 1691-1694
Straus, Richard, 203*n*, 1319, 1395*n*, 1620*n*
Strauss, Franz-Josef, 55-56
Sviridov, Lt. Gen. Vladimir Petrovich, 1746, 1765
Switzerland, 1750, 1752-1754, 1820

Teitgen, Pierre Henri, 571, 1532-1533, 1536, 1541
Thedieck, Franz, 1651-1652, 1656-1657
Thompson, Llewellyn E., Jr., 1065*n*, 1914*n*
Austria, 1852-1854, 1874, 1923-1924, 1949-1950, 1980
Elections, 1821, 1834-1836, 1841-1844
Nazi restitution, 1780, 1782
Occupation troop withdrawals, 1897, 1905-1906, 1936-1937, 1944
Political situation, 1808, 1844-1846, 1848-1849, 1927
United States, relations with, 1779, 1875-1877
Soviet Union, relations with, 1824-1825, 1869*n*, 1882-1893
State treaty:
Austrian position, 1785-1786, 1796-1797, 1829-1830, 1849-1850, 1877-1878, 1906-1909
Negotiations, 1837-1840, 1877-1878, 1902-1903
U.K. relations with the United States, 1789-1791, 1959-1960

Thurston, Ray L., 609*n*, 614*n*, 624*n*, 634, 646-647, 648*n*, 667*n*, 680*n*, 732*n*, 761*n*, 901, 1620*n*, 1678*n*, 1682*n*, 1990*n*, 1993*n*
Timberman, Maj. Gen. Thomas B., 750-751, 755-756, 765-766, 770-772, 1256, 1380, 1384, 1606-1608
Tito, Josip Broz, 547-548, 693, 714-715, 719-720
Trieste, 693, 1082, 1785-1786, 1790, 1912, 1943, 1969-1970, 1976-1980
  Soviet position, 1085, 1718
  U.K. position, 692-693, 698-701, 712-715, 719-720, 1370*n*, 1790
  U.S. position, 547, 689-690, 692-694, 698-701, 712-715, 719-720, 1370*n*
  Yugoslavia, 689-690, 692-694, 698-701, 712-715, 719-720
Truman, Harry S., 41*n*, 173*n*, 237*n*, 238*n*, 1748
Twining, Lt. Gen. Nathan F., 1242-1243, 1259, 1935
Tyler, William R., 868, 886, 906, 937-938, 1077-1108, 1497*n*

Ulbricht, Walter, 339*n*, 342, 1241, 1545, 1557-1558, 1560-1561, 1567-1568, 1648-1649, 1687-1688
Unification of Germany (*see also under* Berlin Conference; Soviet peace treaty proposals), 65, 82, 205-206, 383-384, 462, 564-565, 1605, 1626, 1648-1649, 1712-1713, 1715-1716
  JCS position, 523-529
  Soviet positon re, 199-200, 515
  U.K. position, 215-216
  U.S. position, 82, 213-214, 372-375, 382-385, 410-411, 512, 514-515, 517-518, 566, 568
United Kingdom (*see also United Kingdom and U.K. subheadings under other subjects*):
  Atomic energy, 1030
  Atomic energy talks, 794, 1228-1229
  Austria, 802-804, 864, 1789-1791, 1968-1969
    Occupation costs, 1718-1720 1874*n*
    Occupation force reductions, 1897-1901, 1904-1905, 1917, 1930-1931, 1938, 1942-1943
    Redeployment of Allied forces from Trieste, 1976-1979
    State treaty, position, 1717, 1722-1725, 1787, 1852
  Berlin, 1289n, 1349, 1352, 1375, 1396-1397, 1399, 1401
  Churchill-Eisenhower meeting proposal, 687, 689, 691, 711-712
  East-West trade, 1161, 1227-1228
United Kingdom—Continued
  EDC treaty, 572-573, 850, 912, 936-937, 949-950, 980, 1011, 1229-1230
  Egypt, 709-710, 944, 1161
  Germany, Democratic Republic of, food relief for, 1630, 1639, 1642-1643, 1653-1655, 1664
  Korea, 705, 841-842
  Middle East, 795, 944-945, 1161
  Trieste issue, 692-694, 698-701, 712-715, 719-720, 1370*n*, 1790
United Nations:
  Austria, 1197-1199, 1765
    State treaty, 1766-1768, 1770-1771, 1774-1779, 1787-1790, 1792-1806, 1812, 1823, 1847, 1971-1973
  Five-power role in, 826, 840, 841, 831-835, 845, 858, 860
  Germany, election commission for, 212, 216-217
  Germany, role in, 174-175
  Soviet position toward, 659-660
  U.S. position toward, 214, 933
USIA (Upravleniye Sovetskogo Imushchestva v Austrii), 1791, 1902-1903, 1940

Vandenberg, Gen. Hoyt S., 1857-1858, 1860
Versailles treaty, 829, 915, 986

Vietnam, 704, 706-708
Vollgruber, 1766-1767, 1828*n*
Volunteer Freedom Corps, 1590
Vyshinsky, Andrei Yanuaryevich, 191-192, 209, 1616

Ward, John G., 282-285, 400-402
Wehner, Herbert, 381n, 744-745, 764
Williamson, Francis T., 310*n*, 368*n*, 397*n*, 1288*n*, 1295*n*, 1435*n*, 1570*n*, 1722-1724, 1725*n*, 1734, 1749*n*, 1774*n*, 1797*n*, 1803*n*, 1804*n*
Wilson, Charles E., 542, 550, 1589, 1898, 1900
Wolf, Joseph J., 486*n*, 1288*n*
Wollweber, Ernst, 1691, 1693-1694
World Peace Council, 1554, 1746

Yalta agreements, 825, 829, 1124
Yost, Charles W., 1945-1948, 1950-1954, 1956-1958, 1961-1966, 1968
Yugoslavia, 547-548, 789, 804, 849, 1899
  Trieste issue, 689-690, 692-694, 698-701, 712-715, 719-720

Zablocki Committee Report on Austria, 1747-1748
Zaroubin, Georgyi N., 854-857, 1959

☆U.S. GOVERNMENT PRINTING OFFICE: 1986-491-778:40003